PSA IN

A WHOLE NEW WORLD

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In Lewis Carroll's classic novel, Alice enters a fantastical land and embarks on a journey in a magical world. We re-imagine her adventures through the looking glass, in the world of chess. Through each curiouser and curiouser encounter, Alice gains confidence as she makes her moves to achieve her goals.

Like Alice, PSA continues to learn, to innovate and to create sustainable value with our partners in a whole new world. Fluctuating demand, waves of uncertainty and supply chain constraints will remain. To succeed, we will have to see the bigger picture, discern opportunity and make decisive moves.

PSA IN

A WHOLE NEW WORLD

Transformational Gambits

In a game of chess, forethought wins. It is with clear vision and purpose that PSA has laid our foundations throughout the years. With a revival in global demand and a focus on sustainable trade, we will continue to confront new frontiers and rise to the challenge to move the world with agility, resilience and sustainability.

Group Chairman's Message

Peter Robert Voser
Group Chairman

2021 was undoubtedly a challenging year in many aspects as economies and communities continued to battle with the repercussions of COVID-19. In the second half of last year, pandemic-induced increase in demand for goods threw a wrench into global supply chains while companies grappled with retaining their workforce.

Despite the odds, PSA proved its mettle and delivered a record performance for the year, thanks to the tenacity and resilience of our team and the strong relationships with our customers, partners and stakeholders. We registered a record throughput of 91.5 million Twenty-foot Equivalent Units (TEUs) in 2021, an increase of 5.6% over 2020. Overall group revenue and net profit were S$4.7 billion and S$1.4 billion respectively.

OUR COMMITMENT TO EXCELLENCE

Our commitment to service excellence and sustainable operations has been recognised worldwide. PSA International was voted "Best Global Container Terminal Operator" for the 14th time at the 2021 Asian Freight, Logistics & Supply Chain Awards, and PSA Singapore was named "Best Container Terminal – Asia (over 4 million TEUs)" for the 31st time.

Globally, our other terminals continued to receive positive commendations as well. Over in India, PSA Mumbai was named "Upcoming Terminal of the Year" at the annual India Maritime Awards, while PSA Ameya was awarded "Best Container Freight Station Operator (Pan India)".

Mersin International Port in Turkey also won the "Port Operator of the Year Award" for the eleventh consecutive year at the 2021 Turkey Atlas Logistics Awards. DCT Gdańsk received a "Port of the Future" award at the World of Freight Expo 2021.

PSA remains committed to investing in and operating world-class terminal facilities. The first two berths at PSA Singapore's Tuas mega port project started operations at the end of 2021 – a significant milestone reaffirming Singapore's status as a global hub port with world-class technologies. We also continue to expand our operations and facilities in Poland, Turkey and Saudi Arabia.

PSA has been actively collaborating with its customers and partners to offer logistics and supply chain solutions beyond the port. To that end, we have continued to purposefully build up our digital and cargo solutions capabilities to benefit cargo owners and customers across the supply chain, while also championing cross-industry partnerships to spur collective action towards sustainability.

PSA's acquisition of BDP International – a leading provider of global integrated supply chain, transportation and logistics solutions – will see the PSA Group benefitting from BDP's global expertise in end-to-end supply chain services. For shippers and importers who are confronted with a volatile market and increasingly complex global logistics requirements, this will create opportunities for customised and sustainable solutions that will help them optimise the international supply chain process.

BUILDING MOMENTUM TOWARDS GREATER SUSTAINABILITY

In our desire to contribute to a healthier and greener world, PSA has made sustainability one of its top priorities. We have continued our efforts to build positive climate change momentum through various supply chain sustainability initiatives and investments, and detailed many of them in the PSA Group's inaugural Sustainability Report launched in 2021.

As an industry leader, we are in a position to innovate, influence and effect change towards a more circular economy and accelerate the shift towards sustainable logistics. PSA joined the Coalition for the Energy of the Future, a cross-industry, international alliance with the ambition to accelerate the development of energies and technologies to sustain new green mobility models and address sustainability challenges in transport and logistics. PSA also signed a statement of support for the Call to Action for Shipping Decarbonisation, developed by a multi-stakeholder task force convened by the Global Maritime Forum's Getting to Zero Coalition. The 150 signatories come from the entire international maritime ecosystem, and together commit to taking concrete and critical steps to deliver commercially viable zero emission vessels with the necessary supporting infrastructure and fuel production by 2030.

As a Group, PSA also stepped forward to sponsor US$100,000 for two global community initiatives by Temasek Foundation. These involve the restoration of mangroves under the M40 cities network, and a pilot programme on circular economy intervention, focusing on waste management to accelerate the blue and green economy in cities.

In line with our commitment towards sustainable port development, PSA has also put in place new requirements across our major terminal construction projects – moving away from the use of carbon intensive traditional portland cement – in the construction of our buildings, to using more sustainable alternative binders instead.

Doing our part to accelerate the transition to a net zero global economy will require the collective effort from our people. To underscore our commitment to sustainability and long-term value creation, a series of talks – the PSA Leaders' Sustainability Series – was launched to equip PSA leaders to shape business strategy with sustainability in mind. Our business units around the world also stepped up and took green steps during the Group's annual GoGreen month, by organising various activities such as tree planting, litter picking, recycling drives, and talks to drive awareness about sustainability.

MAKING A POSITIVE IMPACT IN OUR COMMUNITIES

Mindful of our corporate responsibilities, PSA continues to strive to create a positive impact in the communities that we operate in. Despite restrictions surrounding group physical volunteering activities, our PSA Singapore colleagues organised an online fulfilment of the wish lists submitted by our adopted charity partners. Staff banded together to raise funds for and deliver hundreds of Christmas gifts to beneficiaries from the Children's Cancer Foundation (Singapore), HCA Hospice Care, Lions Befrienders, and The Haven (The Salvation Army Singapore), among others.

Staff across our Europe, Mediterranean and the Americas business units also participated in a "Moving for Charity" event, clocking in runs, swims and bicycle rides to raise funds for local charity initiatives. In addition, Mersin International Port in Turkey donated to disaster relief efforts following a spate of wildfires in the region in the middle of the year. Similarly, staff at Ashcroft Terminal in Canada also swiftly supported evacuees of wildfires in the province of British Columbia last summer.

NAVIGATING THE NEW NORMAL ALONGSIDE

At this juncture, I would like to express my deepest appreciation to the staff, unions and management of PSA around the world. Their steadfast commitment, partnership and willingness to adapt have enabled the stellar strides we have made as a Group in 2021.

I am also very grateful to the PSA International Board of Directors for their valuable insights and expert guidance. Their collective wisdom has been critical in helping PSA navigate the complex disruptions in the new normal.

As we march on in the year ahead, it is clear that social and geopolitical challenges will abound, with resurgent waves of the COVID-19 virus, ongoing economic sanctions and fallout from the war in Ukraine. These will impact global trade growth and potentially further disorder supply chains.

In steering through unchartered territory, we must remain resilient, agile and tenacious for the journey ahead. I have confidence that at PSA, we will continue to stay alongside each other and the industry. We are committed to nurturing our workforce and talent, sharpening our competitive edge and creating long term value for all our stakeholders.

In closing, I would like to wish our customers, partners, stakeholders and our PSA staff, unions and management a safe, healthy and peaceful year ahead.

Peter Voser
Group Chairman

Group CEO's Message

Tan Chong Meng
Group CEO

Looking back at the past two years, it would be no stretch of the truth to say that they have been characterised by uncertainty, unrest and the unexpected. The COVID-19 pandemic paralysed many parts of the world in 2020, and we were left reeling from the aftershocks in 2021. Even into 2022, the confluence of fluctuating global demand, geopolitical shocks and widespread supply chain disruptions continues to impact the unevenness of economic recovery and trade flows across the world.

In these times of uncertainty, it has become crucial and apparent that we must rewire our processes and partnerships as an industry to create more agile, resilient and sustainable supply chains. This has been PSA's focus for the last few years, and it remains all the more important in the year ahead – playing our part as a major ports and supply chain network to help our stakeholders achieve better and smarter cargo flow.

I am heartened to report that PSA powered through the waves of change to deliver a robust performance for 2021. Amidst a backdrop of widespread supply chain disruptions and congestions in 2021, coupled with uneven recovery in global trade and demand, the PSA Group registered a 5.6% increase in volume from the previous year, with a throughput of 91.5 million Twenty-foot Equivalent Units (TEUs) globally. PSA Singapore contributed a high of 37.2 million TEUs (+1.6%), while PSA terminals outside Singapore moved 54.3 million TEUs (+8.4%).

I would like to express my deepest gratitude to our Management, Staff and Unions who worked tirelessly as a team and in close partnership with all our stakeholders to keep supply chains safe and cargo moving across our network.

ENHANCING OUR NETWORK VALUE AND MULTIMODAL CONNECTIVITY

To augment our operational capabilities and reinforce our ability to enable supply chain resiliency, PSA has made several strategic partnerships and investments across the globe.

In the Middle East, PSA's Saudi Global Ports (SGP) was awarded a concession by the Saudi Railway Company (SAR) to develop and operate the Riyadh Dry Port (RDP) Ecosystem, comprising three facilities in Riyadh and Dammam. This will help to build a more efficient and resilient logistics ecosystem for customers in the region.

In Canada, Ashcroft Terminal inked a milestone agreement with retail giant Canadian Tire for the purchase of a 25 per cent stake in the terminal. The win-win partnership will drive the next phase of growth for Ashcroft Terminal, while allowing Canadian Tire to leverage Ashcroft Terminal's strategic location for its supply chain needs.

Over in Europe, PSA Antwerp signed an agreement with the Felbermayr Group and Haeger & Schmidt Logistics to invest in PSA Breakbulk NV (PSA Breakbulk) under a renewed joint venture. The investment will see the three parties investing the necessary equipment and organisation on site, thus cementing PSA Breakbulk's leading position in the breakbulk segment in the Port of Antwerp and allowing it to strengthen its position in the project cargo and heavy lifting market.

To enhance trade flows and rail-freight connectivity between Europe and Asia, PSA Northeast Asia formed a joint venture with German multimodal logistics company Duisburger Hafen AG (duisport). Drawing on the combined supply chain expertise of PSA and duisport, the joint venture company will develop value-adding services for customers in Europe and Asia, providing them with efficient multimodal, logistics and digital services through Chongqing, China and the CUIRC rail terminal network.

For instance, the Sino-Singapore Chongqing's Connectivity and Distribution centre (SSCDC) is poised to grow as an important distribution hub for cargo owners importing into China. Located at the confluence of rail, road and river transport infrastructures and connected to global hubs via multi-modal transport services, we completed the first phase in the construction of SSCDC in 2021.

Another significant partnership initiative that PSA has been a key part of developing is the International Land-Sea Trade Corridor (ILSTC). The ILSTC connects China's western provinces and Southeast Asia through rail and sea links. In 2021, goods transported through the ILSTC increased by more than 50% from the year before, testament to the added value that this transport option brings to cargo owners facing a climate of increased supply chain uncertainty.

DIGITALLY TRANSFORMING SUPPLY CHAINS

As a global port operator and cargo solutions provider, PSA is well-positioned to accelerate the shift towards sustainable trade. We are building up our technological and digital capabilities so that we can provide more innovative cargo solutions and enable agile, resilient and sustainable supply chains.

As a founding member of the Singapore Trade Data Exchange (SGTraDex), PSA played a significant role in conceptualising and operationalising Singapore's endeavour to build a common digital utility for better orchestration of data and logistics flows. Launched in 2021, SGTraDex is an interoperable common data infrastructure which connects supply chain ecosystems, a partnership between Singapore government agencies and other industry partners.

Global eTrade Services (GeTS) also worked with us to launch CALISTA® inventory financing (CIF) - an end-to-end platform that collaborates with commodity trading companies, banks and terminals to simplify and optimise business processes for oil storage financing. It is one of the first platforms to be integrated with SGTraDex, enabling banks to mitigate trade-related fraud risks and commodity traders to plan their operations more efficiently.

In the same vein of improving connectivity for the ecosystem, PSA Marine also launched a new Liquid Bulk module ("LqB") on its ONEHANDSHAKE™ platform. This one-of-a-kind digital module facilitates more efficient interactions and transactions among stakeholders in the liquid bulk logistics chain.

Trusted and secure data sharing across all the links in the supply chain is the key to better optimisation and higher productivity for the industry. PSA is a founding shareholder of Global Shipping Business Network (GSBN), a not-for-profit technology consortium of key shipping lines and terminal operators. GSBN launched Cargo Release to Southeast Asian ports in Hong Kong, Singapore and Thailand in 2021. Its blockchain-enabled operating system removes the need for paper documentation and drastically reduces the time needed for cargo to be document-ready.

COLLABORATING FOR DECARBONISATION

PSA also engages in international and cross-industry platforms to galvanise collective action towards our vision of an "Internet of Logistics", something that we believe will enable stakeholders to benefit from improved visibility, closer collaboration, and the co-creation of better supply chain solutions for resilient and sustainable trade. These include forums and action groups under the World Economic Forum, Global Maritime Forum, the Coalition for the Energy of the Future, Smart Freight Centre, to name a few key ones.

In Singapore, we partnered with Ocean Network Express (ONE) to launch an environmentally friendly barge sailing service from PSA Singapore to PSA Jurong Island Terminal.

As we continue to spearhead efforts towards the decarbonisation of global supply chains, we remain committed to investing in sustainable solutions for the future. For example, PSA has inked a Memorandum of Understanding (MoU) with the RHT Group of Companies (RHT) to explore co-creation and investment in Environmental, Social, and Governance (ESG) digital assets solutions to further advance the goals of decarbonisation in ports and supply chains. We also invested in fintech group SDAX Financial to further our sustainability initiatives for ports, supply chains and climate-conscious cargo owners.

CO-CREATING THE FUTURE OF LOGISTICS

In closing, I would like to express my heartfelt thanks to our customers and partners, for their continuous support and trust in us. My appreciation as well to our Board of Directors for their guidance and support throughout the year. I am also deeply grateful for our committed Staff, Unions and Management colleagues at PSA, all of whom have displayed remarkable grit and tenacity during these exceptional times.

The challenges of the past year have solidified our resolve as an organisation to be resilient, agile and innovative. In our drive to realise the Internet of Logistics vision, we will continue to collaborate with likeminded partners, customers and suppliers. Alone, we each have the potential to achieve success. Together, we will have even wider opportunities to chart supply chain transformation for the greater good and amplify our collective positive impact for all our stakeholders.

We look forward to co-creating the future of logistics with you – one that offers the customer greater choice, superior control and visibility, and importantly, sustainable cargo solutions. What an exciting future it promises to be!

Tan Chong Meng
Group CEO

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A WHOLE NEW WORLD

Leading with Masterful Formations

Every chess master was once a beginner. Akin to any chess player's journey, at PSA, our leaders strive to nurture and bring forth the best in Our People, while leading with vision, wisdom and experience.

Mission and Values

Our Mission

To be the port operator of choice in the world's gateway hubs, renowned for best-in-class services and successful partnerships.

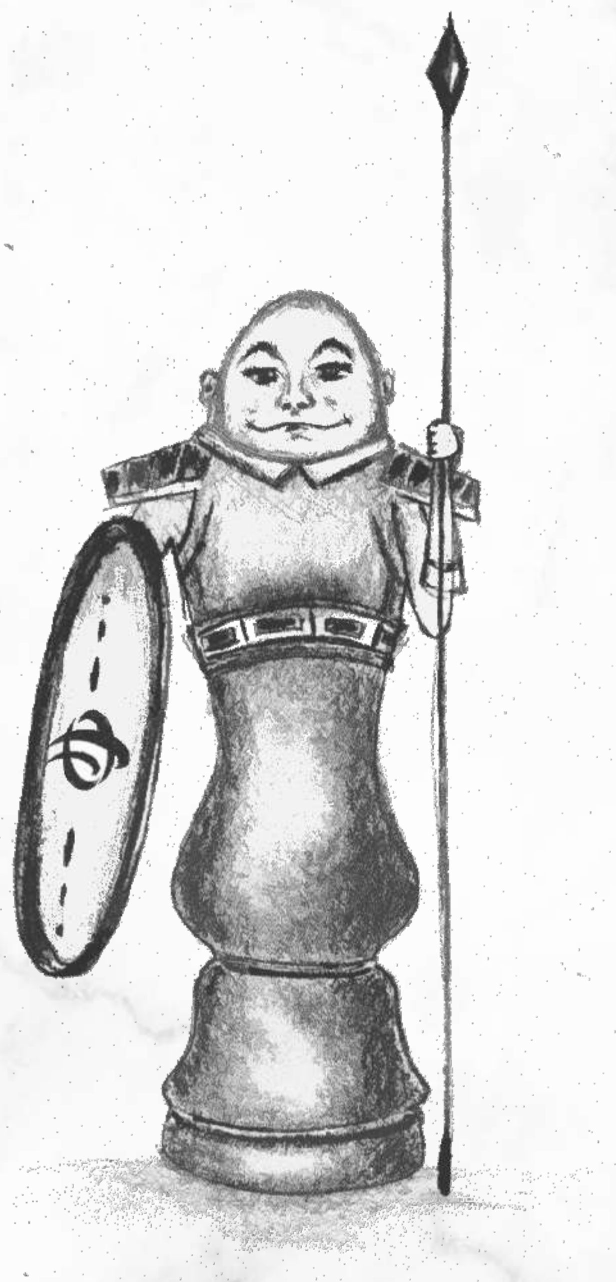
Our Values

DEDICATED TO CUSTOMERS
We help our customers, external and internal, succeed by anticipating and meeting their needs.

COMMITTED TO EXCELLENCE
We set new standards by continuously improving results and innovating in every aspect of our business.

FOCUSED ON PEOPLE
We win as a team by respecting, nurturing and supporting one another.

INTEGRATED GLOBALLY
We build our strength globally by embracing diversity and optimising operations locally.



Board of Directors

Peter Robert Voser
Group Chairman
–
Main Committee
Chairman, LDCC

Tan Chong Meng
Supervisory Committees
Member: Southeast Asia; Northeast Asia; Middle East South Asia; Europe, Mediterranean & The Americas; Marine Services

Frank Wong
Main Committee
Member, LDCC
–
Supervisory Committee
Chairman, Northeast Asia

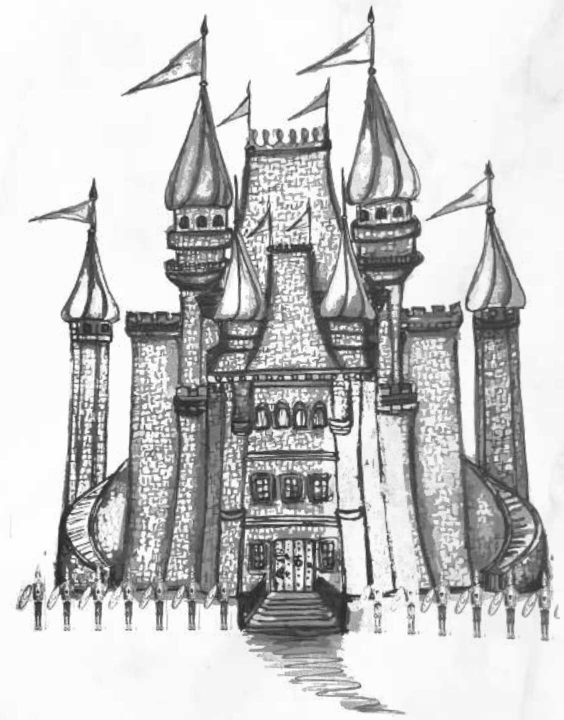
Kaikhushru Shiavax Nargolwala
Main Committee
Member, LDCC
–
Supervisory Committee
Chairman, Middle East South Asia

Tommy Thomsen
Main Committee
Chairman, Audit
–
Supervisory Committee
Chairman, Europe, Mediterranean & The Americas

Jeanette Wong
Main Committee
Member, Audit
–
Supervisory Committees
Chairwoman, Southeast Asia;
Member: Northeast Asia; Marine Services

Pang Kin Keong
Main Committee
Member, Audit
–
Supervisory Committees
Member: Europe, Mediterranean & The Americas; Marine Services

Irving Tan
Supervisory Committee
Member: Middle East South Asia



Foo Jixun

Wong Ai Ai
Supervisory Committee
Member: Southeast Asia

Notes
- Mr Davinder Singh stepped down as PSAI Board Member on 30 November 2021 after having served 14 years.
- LDCC: Leadership Development & Compensation Committee

Senior Management

Tan Chong Meng
Group CEO

Caroline Lim
Global Head of Human Resource

Lim Pek Suat
Group CFO

Goh Mia Hock
Head of Group Process
Excellence & Group Technology

Ong Kim Pong
Regional CEO
Southeast Asia

David Yang
Regional CEO
Europe, Mediterranean & The Americas

Roger Tan
Regional CEO
Northeast Asia

Wan Chee Foong
Regional CEO
Middle East South Asia &
Head of Group Business Development

Terence Tan
General Counsel &
Company Secretary

Ho Ghim Siew
Head of Group Strategy &
Cargo Solutions

Christopher Chan
Head of Group Corporate Affairs &
Group Learning

Eddy Ng
Head of Group Commercial &
Supply Chain Sustainability Solutions

Corporate Governance

STEERED BY OUR VALUES

In conducting the organisation's business affairs, PSA International's Board of Directors adheres to a prudent and strategic approach, considering the everchanging landscape of the industry while taking into account sustainable growth and financial performance.

The Board meets every quarter to assess investment opportunities, and to chart the company's path ahead. The approval of budgets and audited accounts are carried out on an annual basis. Decisions are made based on a majority voting system. In the event of a tie, the Chairman would cast the deciding vote.

The Board is ably supported by the following Committees:

AUDIT COMMITTEE (AC)

The AC is tasked with conducting regular reviews of the effectiveness of control procedures, in order to identify and mitigate significant risk areas. It assesses the reliability of management reporting, compliance with applicable laws and regulations, and reviews the statutory accounts.

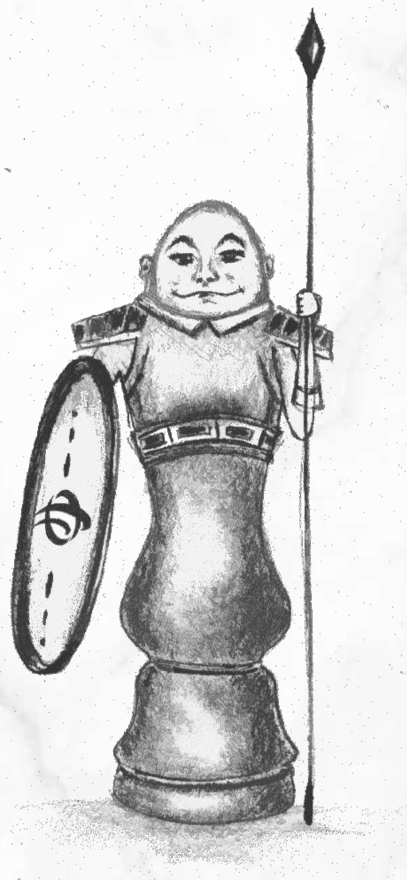
LEADERSHIP DEVELOPMENT & COMPENSATION COMMITTEE (LDCC)

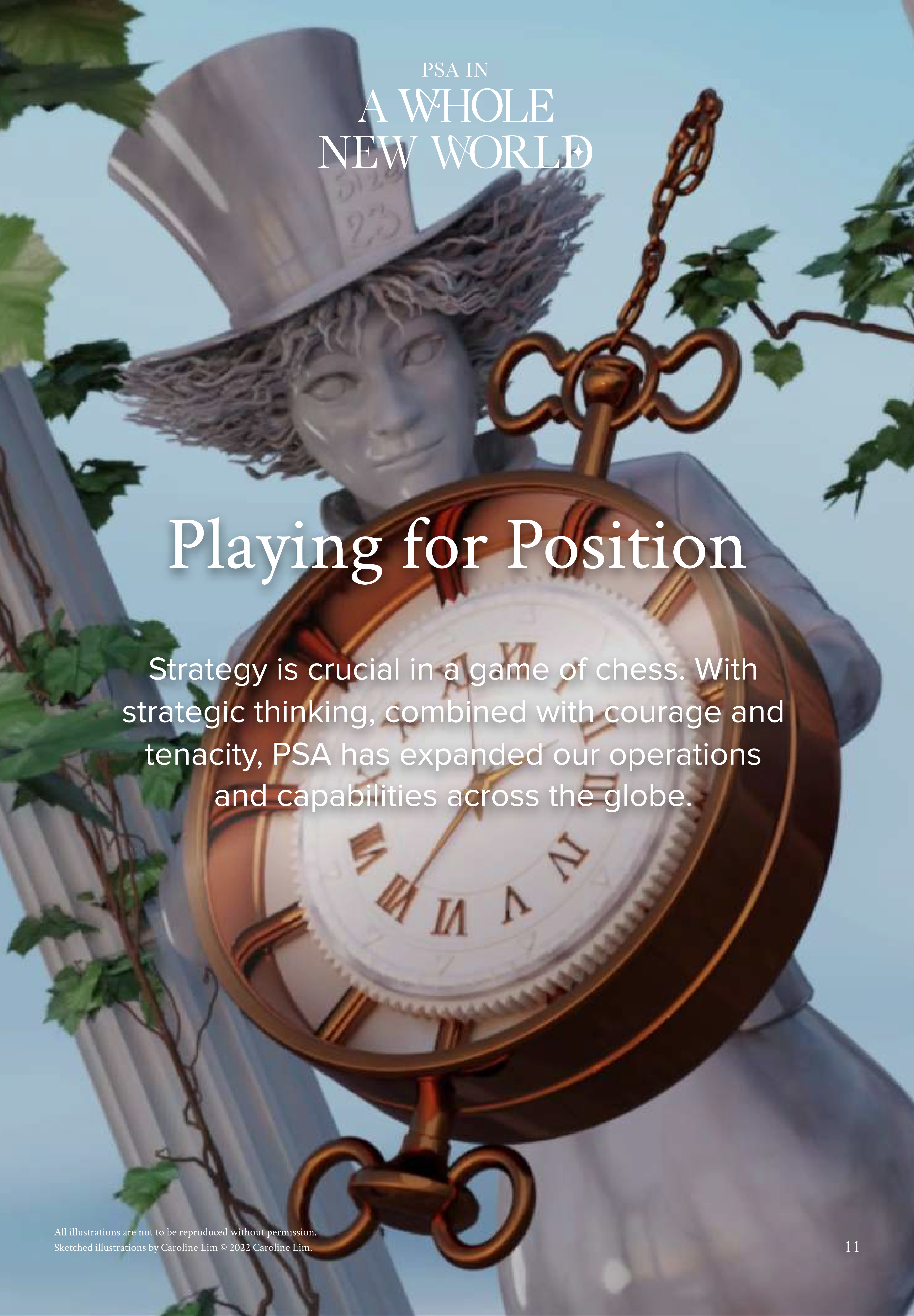
The LDCC oversees leadership development, talent management and remuneration. It puts in place appropriate programmes and consistent policies to groom leaders, develop global talent and ensure the readiness of potential successors to assume key leadership positions. It also conducts performance reviews and approves the remuneration of PSA senior management.

SUPERVISORY COMMITTEES (SCs)

The SCs ensure that PSA's global portfolio of terminals is appropriately managed by aligning PSA's management resources. There are five SCs within the organisation, each supervising one or more geographic regions: Southeast Asia SC; Northeast Asia SC; Middle East South Asia SC; Europe, Mediterranean & the Americas SC; and Marine Services SC. Each SC plans and reviews growth strategies and approves major capital expenditures, customer contracts, tenders and purchase contracts for PSA entities under its business purview.

In every decision it makes and every step it puts forward, PSA holds itself to the highest standards. At PSA, we are committed to conducting ourselves with integrity and accountability, no matter the challenge at hand. All our business and commercial practices are strictly guided by the PSA Code of Business Ethics & Conduct.

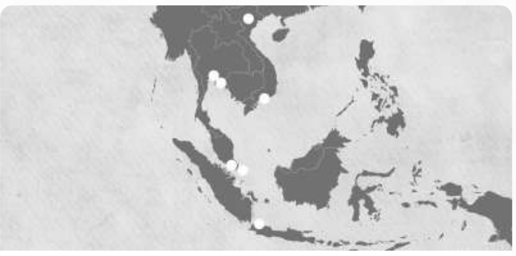




Playing for Position

Strategy is crucial in a game of chess. With strategic thinking, combined with courage and tenacity, PSA has expanded our operations and capabilities across the globe.

Global Footprint



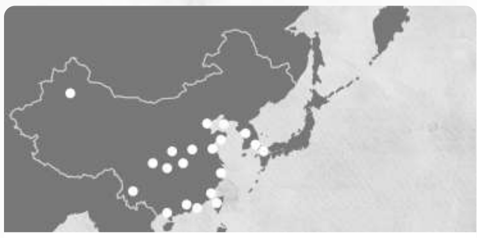
Singapore
Singapore

Indonesia
Jakarta

Malaysia
Johor

Thailand
Bangkok
Laem Chabang

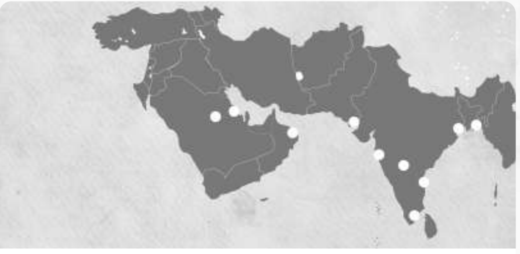
Vietnam
Bac Ninh
Vung Tau



China
Chengdu
Dalian
Guangzhou
Kunming
Ningbo
Qinzhou
Tianjin
Wuhan
Zhengzhou
Chongqing
Fuzhou
Hong Kong
Lianyungang
Qingdao
Taichung
Urumqi
Xi'an

Japan
Kitakyushu

South Korea
Busan
Incheon

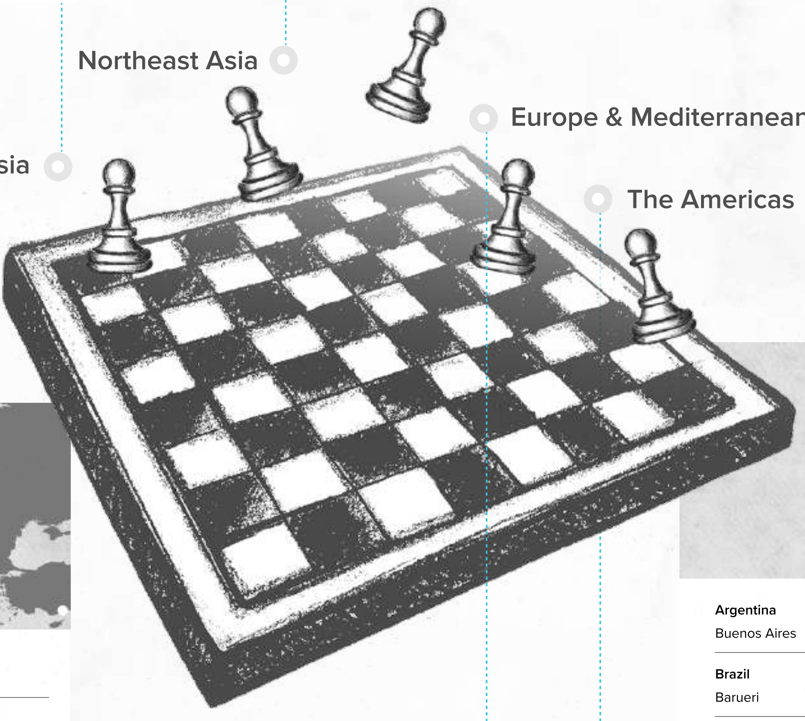


Bangladesh
Chattogram

India
Chennai
Kolkata
Mundra
Hyderabad
Navi Mumbai
Tuticorin

Oman
Sur

Saudi Arabia
Dammam
Riyadh



Belgium
Antwerp
Zeebrugge

Italy
Genoa
Venice

Poland
Gdańsk

Portugal
Sines

Turkey
Mersin

United Kingdom
Essex

Argentina
Buenos Aires

Brazil
Barueri
Itajai

Canada
Ashcroft
Halifax

Colombia
Buenaventura

Panama
Panama City

Peru
Lima
Talara

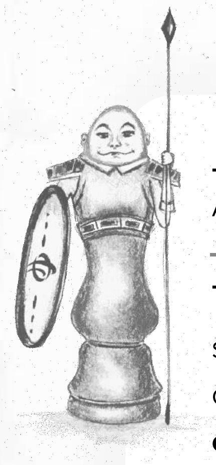
USA
Philadelphia

Uruguay
Montevideo

LEGEND

- Deep Sea / Coastal Terminals
- Rail / Inland Terminals
- Inland Container Depots / Container Freight Stations / Warehouses
- Marine Services
- Global Portnet®

Group Financial Highlights

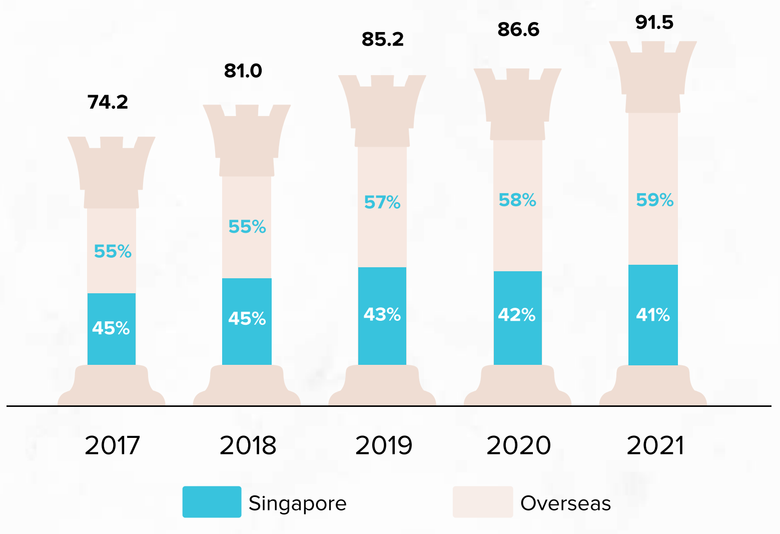


TEUs - Twenty-foot Equivalent Units All amounts in Singapore dollars	2021	2020	2019	2018	2017
Throughput (million TEUs)					
Singapore	37.2	36.6	36.9	36.3	33.4
Overseas	54.3	50.1	48.3	44.7	40.9
Global	**91.5**	**86.6**	**85.2**	**81.0**	**74.2**
Consolidated Income Statement ($ million)					
Revenue	4,670	4,179	4,077	4,086	3,968
Operating Expenses	(3,483)	(2,996)	(2,979)	(2,932)	(2,743)
Operating Profit	1,187	1,183	1,098	1,154	1,225
Net Other Income	204	108	271	203	113
Profit from Operations	1,391	1,291	1,369	1,357	1,338
Finance Costs	(196)	(239)	(263)	(218)	(169)
Share of Profit of Associates	210	187	198	148	171
Share of Profit of Joint Ventures	277	174	158	192	188
Profit before Income Tax	1,682	1,413	1,463	1,480	1,528
Income Tax Expense	(254)	(222)	(197)	(229)	(236)
Profit for the year	1,428	1,191	1,265	1,251	1,292
Non-controlling Interests	(47)	(23)	(20)	(46)	(59)
Profit attributable to Owner of the Company	1,381	1,168	1,246	1,205	1,233
Consolidated Financial Position ($ million)					
Total Assets	23,660	23,372	21,615	20,242	20,041
Total Liabilities	8,998	10,246	9,395	8,197	8,426
Total Equity	14,662	13,126	12,219	12,045	11,615
Financial Ratios					
Operating Margin[1]	25.4%	28.3%	26.9%	28.2%	30.9%
Return on Average Total Assets[2]	6.9%	6.4%	7.3%	7.3%	7.5%
Return on Average Total Equity[3]	10.3%	9.4%	10.4%	10.6%	11.3%
Total Debt/Equity (times)[4]	0.33	0.49	0.49	0.48	0.52
Earnings per Share ($)	2.27	1.92	2.05	1.98	2.03

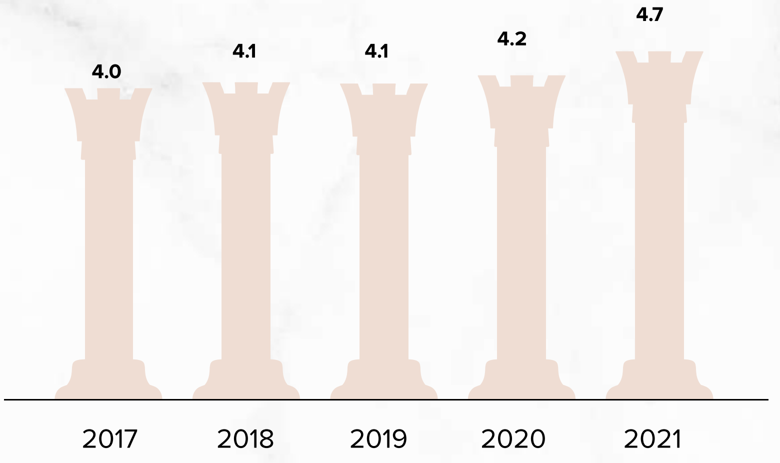
[1] Operating profit expressed as a percentage of revenue
[2] Profit for the year, add back finance costs, expressed as a percentage of average total assets
[3] Profit for the year, expressed as a percentage of average total equity
[4] Total debt divided by total equity. Debt is defined as borrowings in the financial statements

Group Financial Highlights

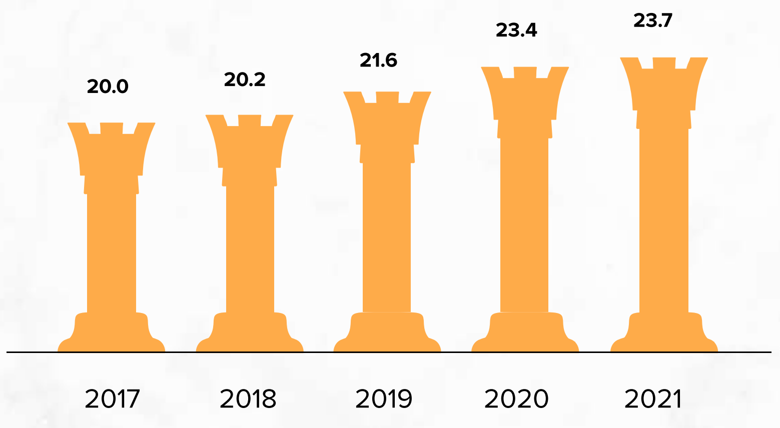
THROUGHPUT (MILLION TEUS)



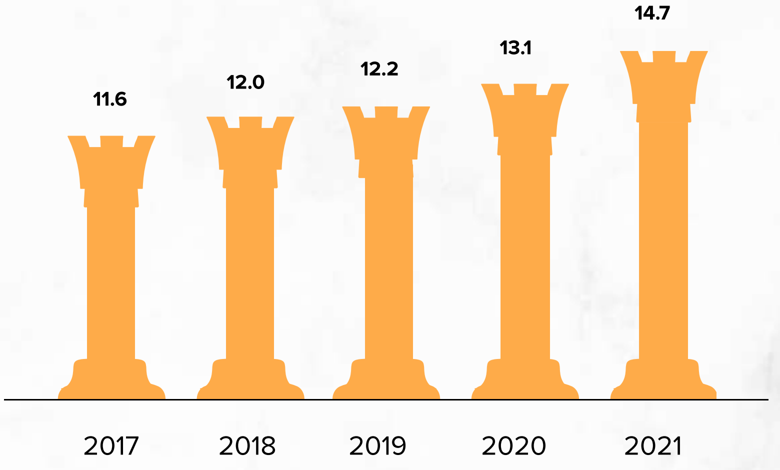
REVENUE (S$ BILLION)

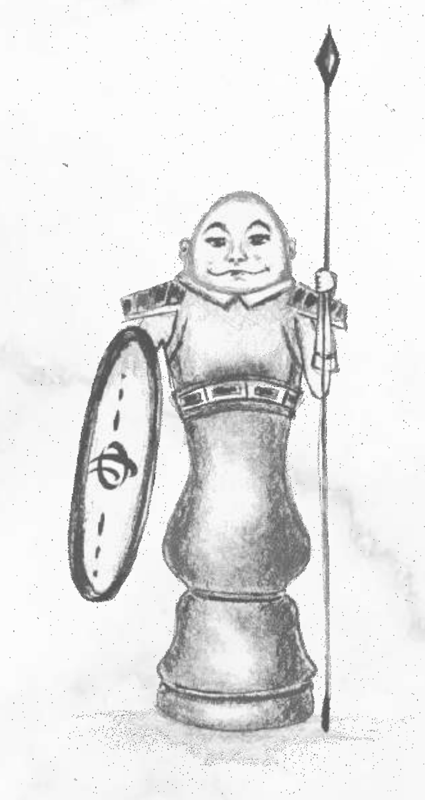


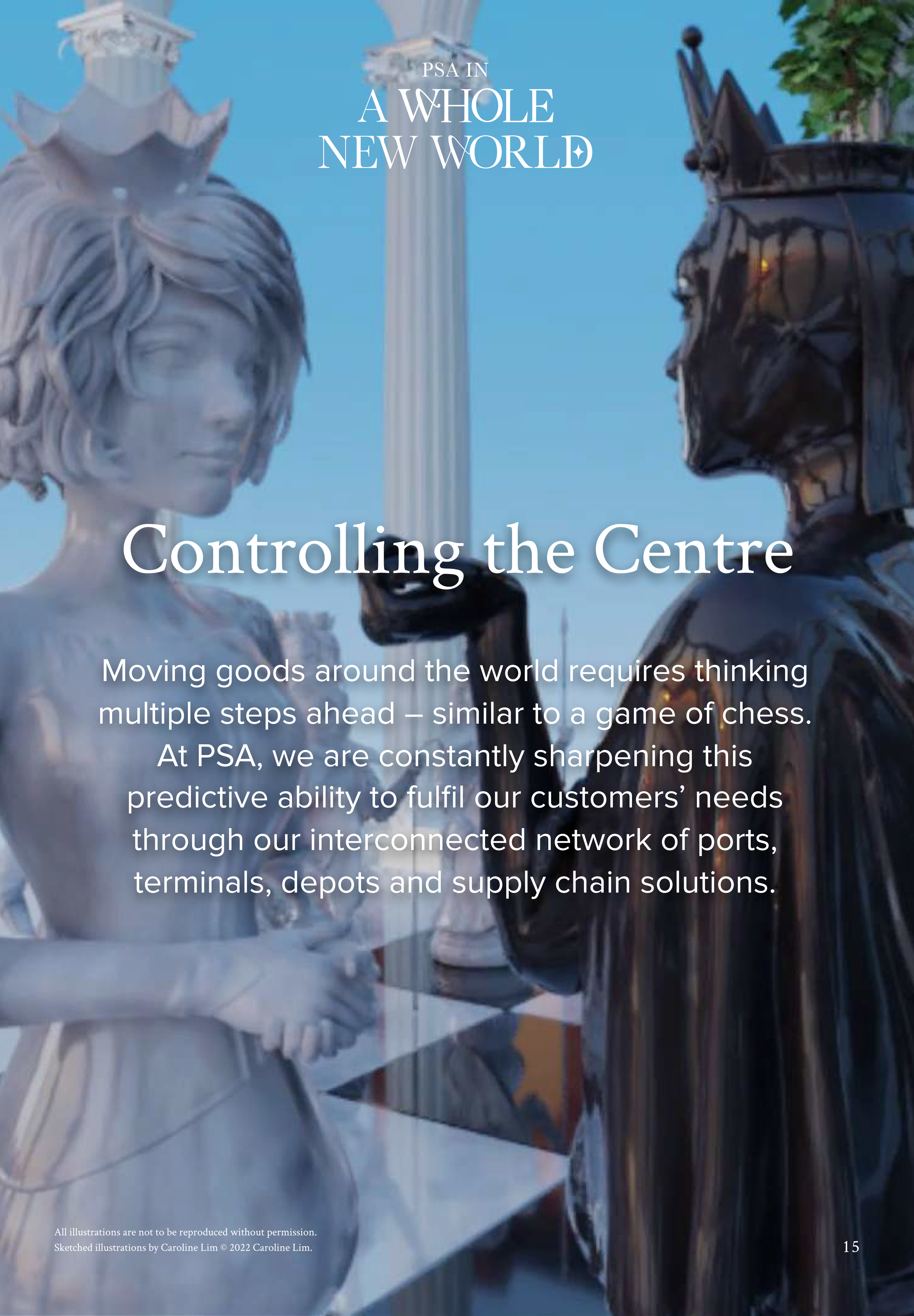
TOTAL ASSETS (S$ BILLION)



TOTAL EQUITY (S$ BILLION)

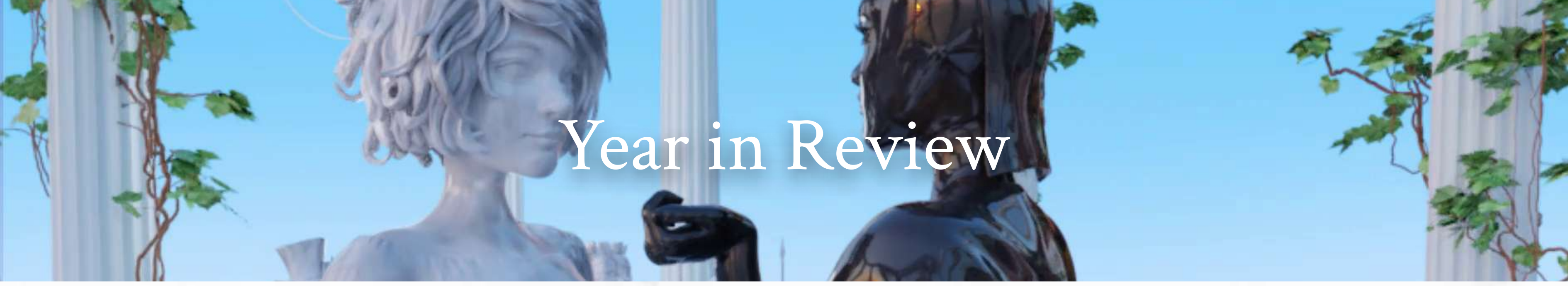






Controlling the Centre

Moving goods around the world requires thinking multiple steps ahead – similar to a game of chess. At PSA, we are constantly sharpening this predictive ability to fulfil our customers' needs through our interconnected network of ports, terminals, depots and supply chain solutions.



Year in Review

Southeast Asia

Even as disruptions plagued supply chains worldwide, our business units in Southeast Asia remained resilient and continued to play a crucial role in value adding to the supply chain.

PSA Singapore achieved a record throughput of 37.2 million TEUs in 2021 and kept its operations running consistently and reliably. As a testament to its operational excellence, PSA Singapore bagged the "Best Container Terminal – Asia (over 4 million TEUs)" at the Asian Freight, Logistics & Supply Chain Awards 2021.

In the face of global uncertainty, PSA Singapore has continued to enhance its operational capabilities and gained accolades as a valuable "catch-up port". For example, to mitigate disruptions caused by scheduling changes and congestion in upstream and downstream ports, PSA Singapore expanded capacity at its terminals and activated the yards at Tanjong Pagar Terminal and Tuas Port to match the strong demand for yard storage and handling capacity.

In a major milestone, the first two berths at Tuas Port in Singapore began operations at the end of 2021. The mega port project is well on track to set the benchmark as a world-class integrated logistics ecosystem, complemented by climate-first technologies. Several key installations at Tuas Port were also completed, such as the Tuas Terminal Gateway, Singapore Customs and Immigration Control facilities and the Tuas Port Maintenance Base – the world's first Super Low Energy Building in a port facility.

To connect stakeholders across the supply chain, PSA Singapore launched SmartBooking – an integrated one-stop booking platform for container depots, terminals, hauliers and logistics facilities across Singapore – together with the Container Depot and Logistics Association (Singapore). The platform gives users better visibility of the entire logistics flow and easier access to information such as vessel schedules, container movement events and planned activities.

Strategic partnerships in the region continued to be a highlight in 2021. PSA Singapore signed a Memorandum of Understanding with longstanding partner PT Samudera Indonesia Tangguh (Samudera) in August 2021. The collaboration will leverage PSA's global network and Samudera's strong market expertise to develop trade corridors between Indonesia and Southeast Asia.

In line with the PSA Group's sustainability strategy towards a net-zero future, PSA Singapore signed a Memorandum of Understanding with Ocean Network Express (ONE) to jointly reduce greenhouse gases emissions across their businesses. Subsequently, PSA and ONE launched an environmentally friendly barge sailing service from PSA Singapore to PSA Jurong Island Terminal in November.

Elsewhere in the region, our terminals continued to develop their capacity and capabilities, remaining resilient despite global disruptions.

In Indonesia, New Priok Container Terminal 1 (NPCT1) completed its construction of a 57m yard, with operations set to start in 2022.

NPCT1 announced a collaboration with three leading truck marketplace operators in Indonesia - Logol, Logee and Ritase – to enhance its customers' user experience through digitalisation.

NPCT1 was also awarded with the "Best Terminal Performance Achievement" by the Jakarta Provincial Government in recognition of its outstanding performance in 2021.

In Thailand, Eastern Sea Laem Chabang Terminal set up a new joint venture with PSA Cargo Solutions Singapore, to consolidate all cargo solutions initiatives for PSA in Thailand. The partnership will augment supply chain capability to meet the expected growth in Thailand.

In Vietnam, SP-PSA International Port onboarded two new agri-feed customers, Thi Vai Port Logistics Corporation and Diamond Logistics Company – and the port continues to build its agri-feed business.

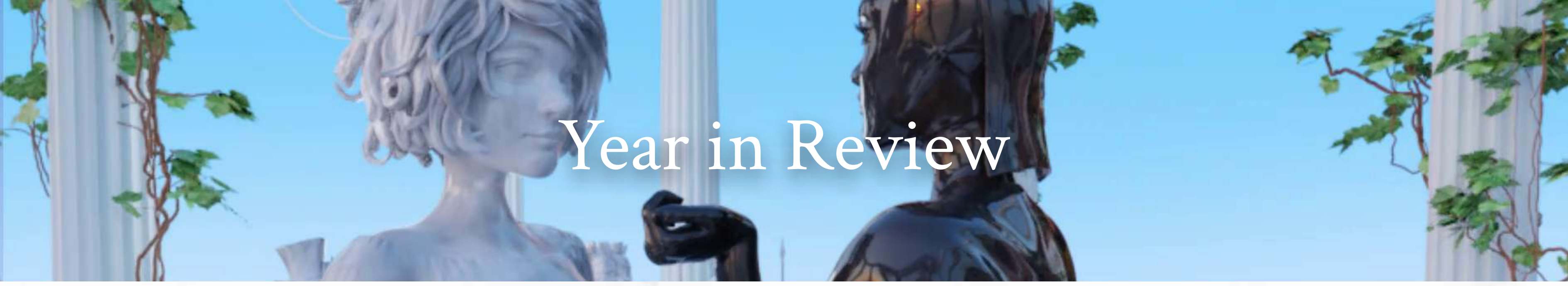
Northeast Asia

PSA China continued working alongside stakeholders to transform supply chains and enable sustainable port and cargo solutions.

Despite the challenges due to China's stringent COVID-19 measures, PSA China's container terminals achieved 9% volume growth in 2021. By leveraging on the strength of ports to harness synergies across different business units, PSA China developed six ecosystems to orchestrate cargo flows through container terminals and increase supply chain touchpoints. For example, in Fuzhou's ecosystem, Fujian PSA Supply Chain Solutions (PFS) operates as a one-stop multimodal supply chain solutions provider at Fuzhou Container Terminal. In its fourth year of operations, PFS achieved a new milestone by securing new projects in Cold Chain, Project Cargo and General Cargo Containerisation.

In Tianjin, Tianjin Port Alliance International Container Terminal invested in eight automated electric Rubber Tyred Gantry (RTG) cranes, while Tianjin Port Container Terminal completed the conversion of six Quay Cranes and eight RTGs to remote operations, moving towards fully automated operations.

Dalian Container Terminal has also been recognised by the China Ports & Harbours Association Container Branch for its operational excellence.



Year in Review

In 2021, China United Intermodal Railway Company (CUIRC) charted a 6% increase in volume. As the railway hubs of China, CUIRC terminals rose above COVID-19-related challenges to ensure smooth operations and data exchanges. CUIRC played an increasingly prominent role for China Railway Express (CRE) in serving China-Europe intercontinental freight trains. The CRE volume via CUIRC increased significantly by 16% in 2021, accounting for 57% of total CRE volume in China.

Along the International Land-Sea Trade Corridor (ILSTC), CUIRC Qinzhou facilitates the intermodal volume through Qinzhou Container Terminal towards China's southwest hinterland via Chengdu, Chongqing and Kunming CUIRC terminals. In 2021, goods transported through the ILSTC increased by 57.5% from the previous year. Lianyungang Container Terminal saw its intermodal volume increase by 25% from the year before, with partnerships that utilised China Railway Container Transport containers.

In 2021, PSA China's Cargo Solutions continued to expand upon its product offerings. Customers partnered PSA China Supply Chain Solutions (CSCS) on an improved mix of freight services. Total customers served by CSCS increased 70% year-on-year. Beyond ocean freight bookings, contribution of rail freight to overall business rose by 2.5 times while air freight bookings started in 2021 and contributed 10% of overall freight business.

Sino-Singapore Chongqing's Connectivity and Distribution centre (SSCDC) completed its Phase 1 construction with 40,000 sqm of warehousing area and 5ha of yard space in 2021 that will be operationally integrated with Yuzui rail terminal as well as a project cargo terminal along Yangtze River. Yuzui Rail Terminal is 1500km from PSA's Qinzhou Terminal in Guangxi, delivering rail-sea multi-modal solutions and is linked up to duisport by the China-Euro freight trains. At the confluence of rail, road and river transport infrastructures and connected to global hubs via multi-modal transport services, SSCDC is poised to grow as an important distribution hub for cargo owners importing into China.

Value-adding activities of terminal-centric logistics have also been strengthened in 2021. PFS secured its license to perform fumigation and disinfection services while Guangzhou Port Logistics secured approvals to develop a semi-automatic storage & retrieval system for class 1 dangerous cargos.

Beyond solutions for general cargo or wholesale trade, PSA China Cargo Solutions also expanded to provide cross-border, door-to-door deliveries for E-commerce parcels, gaining new capabilities to support fast-growing trade flows. Through Woternet and CSCS, more than 50,000 parcels have been fulfilled directly or in partnerships with vendors to key destinations in Americas and Europe.

Digital initiatives continued at pace in the region. PSA China Cargo Solutions partnered digital hauliers to provide customers with online visibility for landside truck bookings, supporting digital integration of door-to-door freight services.

Beibu Gulf PSA Portnet also began extending its GLOBAL PORTNET® services to cover the digitalization of the Port Authority functions. Data sharing of port events between Beibu Gulf Container Terminal and Singapore has also commenced. In Fuzhou, Fujian PSA Portnet developed a Digital Truck Platform to provide smart matching and value-added services that enhances the overall efficiency of the trucking community.

In the sustainability space, the Northeast Asia region continues to optimise its energy consumption through greener and more energy efficient equipment, and is exploring the use of clean renewable energy. The region managed to reduce more than 1,400 tonnes of carbon emissions in 2021 while handling more volumes than the prior year. Guangzhou Container Terminal invested in 20 electric prime movers (PM) to replace their diesel counterparts, resulting in a 45,600kg CO2e reduction per year per PM.

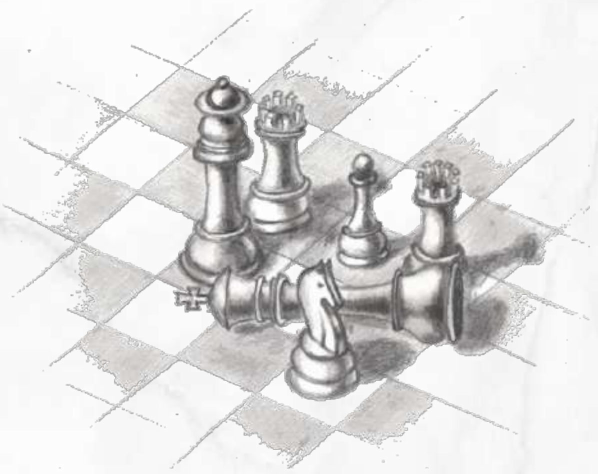
Over in South Korea, Pusan Newport International Terminal marked several operational milestones, where the terminal added eight new service lines by several alliances and handled a record high volume of 2.8M TEUs for two consecutive years.

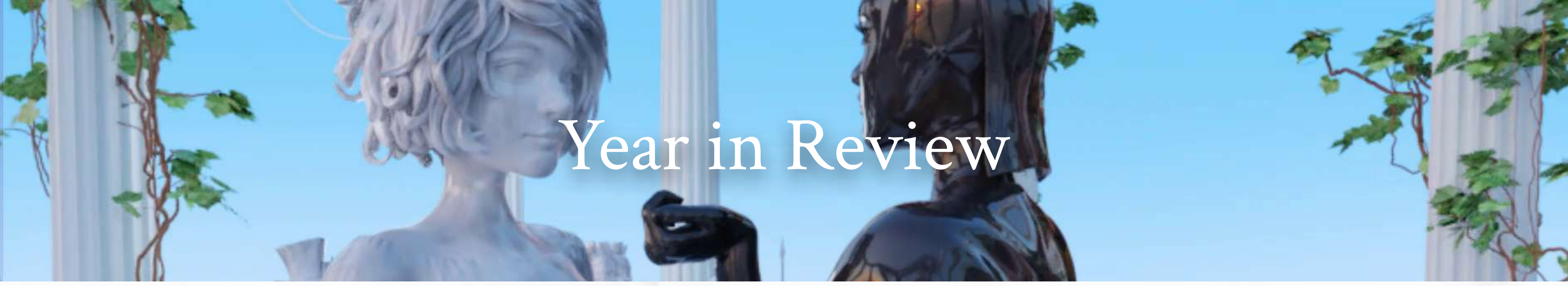
Terminal developments continued over at HMM-PSA Newport Terminal, with the height of two quay cranes boosted to handle larger capacity vessels.

Middle East South Asia

PSA's business units in the Middle East South Asia region achieved several milestones in 2021: expanding terminal capacity, extending our reach into the hinterland through new container freight station and dry port businesses, and adding value for our customers through environmentally sustainable supply chain solutions.

The region started the year with the completion of an investment into PSA Ameya, a logistics company operating container freight stations in Nhava Sheva and Mundra in India. This investment allows PSA to offer our customers solutions such as warehousing, cargo stuffing and transportation in addition to our port services.





PSA Mumbai crossed the three-millionth TEU milestone since the commencement of its operations and gained three new liner services during the year. Through our cargo solutions initiatives of orchestrating cargoes by rail, the terminal has grown its rail connectivity to 56 inland container depots, making PSA Mumbai the most connected terminal in India. This connectivity has helped our customers to reduce logistics costs and allowed them to move their cargoes in an environmentally sustainable way.

PSA Chennai continued its direct rail services between the terminal and CONCOR inland container depot in Bengaluru, Hyderabad and Chennai. In total, PSA Chennai handled 629 rakes consisting of nearly 43,000 TEUs through its rail service.

In the Middle East, PSA's Saudi Global Ports (SGP) commenced the upgrading of the container terminals at King Abdulaziz Port Dammam (KAPD), following the successful consolidation of First and Second Container Terminals the year before.

In a significant milestone, SGP was also awarded a concession by the Saudi Railway Company to develop and operate the Riyadh Dry Port (RDP) Ecosystem – comprising three facilities in Riyadh and Dammam. SGP plans to operate RDP and KAPD as an integrated system, to offer the industry a seamless and efficient logistics network and to develop Dammam the cargo gateway hub in Saudi Arabia.

Europe and The Mediterranean

Across Europe and the Mediterranean, our terminals continued to break new records and remained committed to developing Cargo Solutions initiatives and digital platforms, despite coping with supply chain congestions and disruptions around the world.

PSA Belgium has embarked on an investment programme to future-proof its Europa Terminal and increase the terminal's annual handling capacity by 700,000 TEUs to 2.4 million TEUs. It involves the deepening of Europa Terminal from 13.5m to 16.5m by constructing a new quay wall, the installation of new quay cranes and the adoption of a new yard stacking layout using automated stacking cranes.

PSA Belgium, together with leading Austrian European lift transportation and crane specialists Felbermayr and Haeger & Schmidt Logistics, invested in PSA Breakbulk NV and this investment cements the company's leading position in the breakbulk segment in the Port of Antwerp, and also strengthens its position in the cargo and heavy lifting market.

PSA Belgium saw continued growth in hinterland barge transport managed by PSA Cargo Solutions Belgium, with the volume managed on barge services to/from Rotterdam, Amsterdam, Ghent, Zeebrugge and intra-port exceeding 200,000 TEUs. PSA Cargo Solutions Belgium also provides a complete end-to-end physical-digital solution for Metsä, a leading producer of paperboards. Besides offering intermodal transport underpinned by a digital solution – which has helped Metsä to achieve its logistics and sustainability ambitions – they add value by offering enhancements to their supply chain.

Terminals over at PSA Italy remained resilient despite the impact of global supply chain and schedule disruptions. In 2021 PSA Genova Pra' and PSA SECH handled 1.74 million TEUs – an increase of about 5% from the previous year.

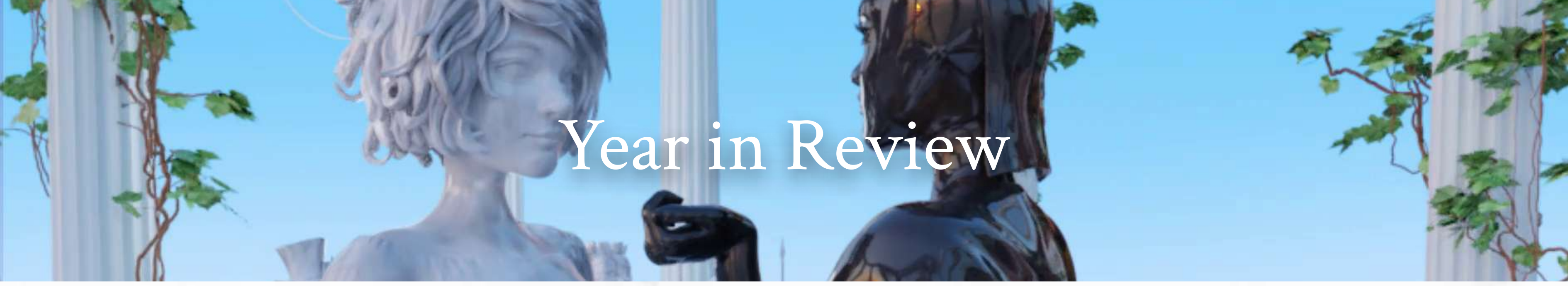
The Genova-Basel Train, the Southern Express, has seen significant increases in volumes, achieving 7,700 TEUs, with a total of 112 round trips in 2021, becoming a solid option for cargo owners in Switzerland to connect directly to the Mediterranean routes.

PSA Venice completed the construction and installation of a 2,000 sqm covered warehouse to further develop cargo solutions services.

In Portugal, PSA Sines charted a commendable 12.8% increase in total volume in 2021, with 1.8 million TEUs moved in total. It also continued to enhance its systems with automated Rubber Tyred Gantry cranes, and the installation of Optical Character Recognition (OCR) systems for automated train inspection, identification and inventory. The terminal completed the construction of the first 102m of additional berth. When the full 204m additional quay wall is ready in 2022, PSA Sines will be able to berth three mega-vessels simultaneously.

DCT Gdańsk in Poland handled 2.1 million TEUs in 2021, marking a record year for the largest container terminal in the Baltic Sea. In July 2021, DCT Gdańsk signed an additional lease agreement with the Gdansk Port Authority and announced plans to build a third deep-water terminal, Baltic Hub 3 – which, when completed, will increase DCT Gdańsk's handling capacity by 1.5 million TEUs to 4.5 million TEUs per year. The terminal has also completed a major intermodal development programme that almost doubled its railway capacity, confirming its ambition to support building green logistics corridors.

Mersin International Port (MIP) in Turkey also broke its operational records, handling over 2.1 million TEUs in 2021. For expected future economic growth in the region, MIP will increase the container handling capacity of the port from 2.6 million TEUs to 3.6 million TEUs with the East Med Hub II expansion project.



Through its hinterland transportation services, PSA Cargo Solutions Turkey also offered major Beneficial Cargo Owner within the Mersin hinterland a viable alternative to all-truck set-ups. The end-to-end service includes physical cargo flow between the facility and MIP, as well as Container Freight Station operations, multimodal transportation and other custom solutions for specific requirements.

On the sustainability front, a key priority in achieving our 2030 emission targets for Scopes 1 and 2 is the electrification of PSA's horizontal transport. PSA EuroMed & the Americas (EMA) has launched an e-prime mover programme at the regional level. It deals with multiple tracks including equipment and battery specifications, dimensioning of the fleet, charging interfaces and infrastructure, electricity infrastructure including battery energy storage systems, and organisational changes in the technical department. The programme will run simulations and trials related to each track. Simultaneously, the EMA region is working on a two-pronged approach to green its straddle carrier fleet by purchasing hybrid straddle carriers and also launching a green straddle carrier programme oriented towards developing a zero-emission straddle carrier. Over the course of 2021, more EMA terminals have secured a supply of renewable electricity.

The Americas

Ashcroft Terminal inked a milestone agreement with retail giant Canadian Tire in which the latter acquired a 25% stake in the terminal. The win-win partnership will drive the next phase of growth for Ashcroft Terminal while allowing Canadian Tire to leverage the terminal's strategic location to convert container transport from truck to rail with lower CO_2 emissions and reducing congestion in Vancouver.

On the other side of Canada, PSA Halifax expanded its rail connectivity to new markets and welcomed MSC as a new shipping line in the port. With natural deep-water and year-round ice-free access, PSA Halifax is capable of handling the largest vessels calling at North America's east coast, including the maiden call of the CMA CGM Marco Polo - a 16,022 TEU vessel - in May 2021.

In the US, PSA Penn Terminals continued to see strong volume growth and registered record throughput volumes of more than 350,000 TEUs.

In Argentina, International Trade Logistics (ITL) continued to digitise its offering, in particular, the ITL Track system – an online software allowing clients of the ITL group to track cargo in real-time and book new services – with 1,500 daily visits on average.

Exolgan Container Terminal increased its capacity to one million TEUs, following the expansion of its berths and the addition of 600 terminal ground slots. Exologistica began operations of its first e-commerce fulfilment center with the start of the art picking and packing technology with a capacity to deliver 10,000 orders per day.

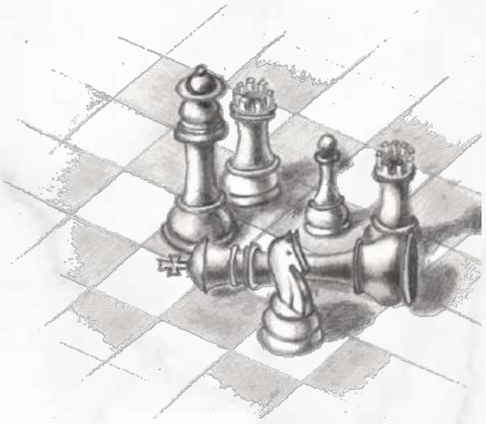
In December, Sociedad Puerto Industrial Aguadulce (SPIA) in Colombia recorded the highest throughput ever, handling 51,000 TEUs in one single month. SPIA was able to quickly resume and support its customers after a 90-day national strike had paralysed transportation in the country. To maximise its warehouse capacity, SPIA added additional pallet racks and increased the pre-inspection warehouse capacity by 50%.

Despite the recurring waves of the COVID-19 pandemic, PSA Panama remained resilient, charting an all-time high volume of 1.3 million TEUs in 2021. The terminal also welcomed the 15,000 TEU MSC Virgo on 26 July, the largest ship to call at a terminal on Panama's Pacific side. Additionally, PSA Panama had two mega container vessels berthed alongside simultaneously for the first time, handling 2,297 TEUs on the MSC Virgo and 2,927 TEUs on the MSC Elisa.

PSA Marine

PSA Marine unveiled the first-of-its-kind Liquid Bulk module ("LqB") which resides on the ONEHANDSHAKE™ platform. The module will allow industry players within the liquid bulk logistics chain to effortlessly transact with each other through its customised dashboard and achieve real-time tracking capabilities for greater visibility, predictability and productivity. The improved efficacy also helps to reduce carbon footprint and optimizes the usage of resources.

PSA Marine's focus and investment in greener operations continued in 2021. Over in Peru, solar panels have been installed on board PSA Marine Peru's pilot launches to power batteries used as auxiliary power supply. These rechargeable batteries were also installed on 7 of its harbour tugs, supporting energy demands for the vessel's hotel loads.



Cargo Solutions

RE-IMAGINING LOGISTICS THROUGH INNOVATION, DEDICATION, AND TECHNOLOGY

Global trade should be smooth, smart and secure. The COVID-19 pandemic has exposed vulnerabilities of traditional supply chain networks, but we believe that innovation is key to turning these challenges into opportunities for better connectivity, collaboration and communication.

PSA Cargo Solutions is championing greater collaboration with various partners through the Internet of Logistics (IoL) – a connected system of interoperable nodes and platforms – through strategic partnerships with industry partners, distinctive intermodal solutions and increased efficiency through digital solutions in order to orchestrate supply chains and help our customers better manage their cargo flows.

Our vision is to co-create reliable supply chain networks and keep goods moving with agility, resilience and efficiency around the world.

EXTENDING OUR SUPPLY CHAIN ECOSYSTEM

Through strategic partnerships, PSA works with industry partners and cargo owners to enhance our capabilities to provide efficient and resilient solutions, especially in a volatile climate where shippers and importers are confronted with increasingly complex global logistics requirements.

In Southeast Asia, PSA welcomed JWD InfoLogistics Public Company Limited (JWD) into our Eastern Sea Laem Chabang Terminal (ESCO) as a strategic supply chain partner.

JWD, an integrated logistics company with a presence in Thailand and Southeast Asia, will work with PSA to develop innovative and sustainable cargo solutions and work alongside towards an Internet of Logistics for Thailand. The combination of PSA and JWD will elevate ESCO's unique strategic position as a regional holistic supply chain operator in the region of Thailand, covering multidimensional and multi-modal flows of physical (cargo), digital and financial.

PSA Northeast Asia and German multimodal logistics company Duisburger Hafen AG (duisport) also inked an agreement to form the joint venture company, Multimodal Investments Pte Ltd (MIPL), headquartered in Singapore. The joint venture will invest in multimodal logistics facilities in Asia, enhancing connectivity and trade flows between Europe and Asia.

In another strategic alliance, Canadian Tire, the single largest container importer in Canada, invested in a 25 per cent stake in Ashcroft Terminal in August 2021.

By partnering with mega-retailer Canadian Tire, Ashcroft Terminal will be able to further invest in infrastructure and capacity growth for the long-term, benefitting all of its customers. Ashcroft Terminal has a hub to serve the needs of a broad range of industries and customers moving their products by rail.

This partnership also has the potential to increase the efficiency and sustainability of the supply chain for containers imported and exported through the marine terminals in Vancouver. Ashcroft Terminal facilitates the shift from truck to rail transport, and significantly reduces the movement of trucks in the busy Metro Vancouver area which reduces emissions.

In December 2021, PSA inked an agreement to acquire global logistics solutions provider BDP International (BDP) and the acquisition was completed four months later. As a leading provider of integrated supply chain, transportation and logistics solutions, BDP will bring its international expertise in end-to-end supply chain services to the table.

Headquartered in Philadelphia, USA, BDP's strengths will complement and extend PSA's capabilities to provide agile, resilient and innovative cargo solutions. Our customers will be able to benefit from the extensive capabilities of both BDP and PSA, while accelerating their shift towards sustainable supply chains.

Cargo Solutions

At the same time, customers of BDP will benefit from additional insights and connectivity to PSA's global network of more than 60 deep sea, rail and inland terminals worldwide, as well as affiliated businesses in distriparks, warehouses and marine services.

PSA also continues to grow CrimsonLogic/ Global eTrade Services (GeTS) acquired in 2018, to further our digital platform initiative, CALISTA®, to facilitate global trade among Governments, Customs, Ports and Business. In addition, CrimsonLogic/ GeTS will continue to assist Small-Medium sized Businesses (SMEs) to navigate the complexity of cross border trade compliance, trade financing and payment.

CREATING A DATA-DRIVEN SUPPLY CHAIN
Information and trusted data sharing is key to optimising supply chains.

In 2021, PSA worked with the Singapore Together Alliance for Action (AfA) on Supply Chain Digitalisation to co-create the Singapore Trade Data Exchange (SGTraDex). Designed to be a neutral and open digital utility, SGTraDex streamlines the flow of information across global supply chains through a common data highway. This first-of-its-kind digital infrastructure facilitates trusted and secure sharing of data and connects supply chain ecosystems across the world, for better end-to-end visibility.

In line with our aim to digitalise supply chains, we continued to support Global Shipping Business Network (GSBN), a not-for-profit technology consortium, of which PSA is a founding member. GSBN launched a new product, Cargo Release, to better connect ports with liners and inland service providers. The Cargo Release tool has reduced the time for cargo to be document-ready for release from days to hours, and is being progressively implemented in PSA Singapore and around the region for various liner partners.

PSA Cargo Solutions plugged the urgent need by offering cargo owners better end-to-end visibility for their shipments. In 2021, we launched the PSA Cargo Solutions Control Tower solution on our digital platform CALISTA®, which streamlines end-to-end supply chain orchestration for multiple stakeholders worldwide. The Control Tower solution provides our customers and trading partners with an integrated operating platform to track shipments, collaborate and obtain critical information across the supply chain. It also facilitates exceptions and alerts management for better service visibility and continuity.

PSA also partnered with supply chain visibility provider Roambee to co-create a verifiable item-level, multimodal Full Container Load (FCL)/Less than Container Load (LCL) visibility solution and ocean milestone standard backed by first-hand sensor and port operations intelligence. This verifiable ocean visibility will fuse the physical and digital aspects of ocean cargo from end-to-end, including first mile, at port, on vessel, and last mile. The partnership combines Roambee's world-class real-time visibility technology with PSA's CALISTA® digital platform, to enable verifiable and data-driven cargo supply orchestration across the board.

BESPOKE SOLUTIONS TO KEEP LOGISTICS MOVING AND TO BOOST CONNECTIVITY
By actively collaborating with its customers and partners, PSA Cargo Solutions offers distinctive and bespoke port-centric cargo solutions to benefit cargo owners and service providers to tackle supply chain challenges and keep operations running smoothly amidst the backdrop of supply chain disruptions.

To that end, PSA Cargo Solutions Southeast Asia launched a suite of Terminal Value-Added Services for cargo owners around the world. These services include Priority Discharge, Top Stowage, Express Delivery, Flexi-Alerts and Fast Connection Management for containers moving via Singapore.

Over in China, PSA Cargo Solutions' agile interventions ensured one of our customers' cargo arrived in time for the Mid-Autumn celebrations, a traditional festival celebrated by Chinese communities around the world. The customer had found out that their shipment was facing delays from China to Singapore but PSA Cargo Solutions Southeast Asia, along with support from the PSA team in Beibu Gulf-PSA International Container Terminal, found a solution: Containers were re-nominated onto an earlier carrier and top stowage of the containers was arranged at the port of loading to facilitate priority discharge of the containers upon their arrival in Singapore. This ensured that our customer's time-critical containers were delivered just in time for the festive celebration.

Cargo Solutions

To deliver a more seamless experience for cargo owners, we expanded our international freight management capabilities.

In addition to strengthening key gateway-linked services to better move cargo to and from inland locations, we also increased our growing network of in-house and third-party carriers to facilitate a seamless flow of cargo from origin through to destination. Our fully-integrated services are further augmented by our industry-leading CALISTA® platform, enabling us to be the shippers' single point of contact to support their regional supply chains.

Our intermodal solutions have also kept goods moving across our operations worldwide. PSA Cargo Solutions EuroMed and PSA Genova Pra' celebrated the running of the 500th train from Genoa to Frenkendorf, a municipality in Basel, only two years after the service commenced operations in October 2018. This Genoa-Basel route enables a direct connection – without any stops for consolidation or deconsolidation - from the Mediterranean port of Genoa to Switzerland via triweekly round-trip trains. With PSA Genova Pra' operating both rail and terminal segments, customers enjoy smooth and agile coordination as well as benefit from fast, proactive, and flexible customer support.

The service boasts a reliable track record with 83 per cent of trains arriving within an hour and 94 per cent within two hours of the given estimated time of arrival. With this level of reliability, cargo owners using this alternate route to reach central European markets will be able to build more resilience into their supply chain network.

Additionally, cargo owners moving goods from the Far East and Middle East to Central Europe by rail movement via Genoa can achieve lower carbon emissions, as this is a shorter route overall that significantly reduces ocean navigation.

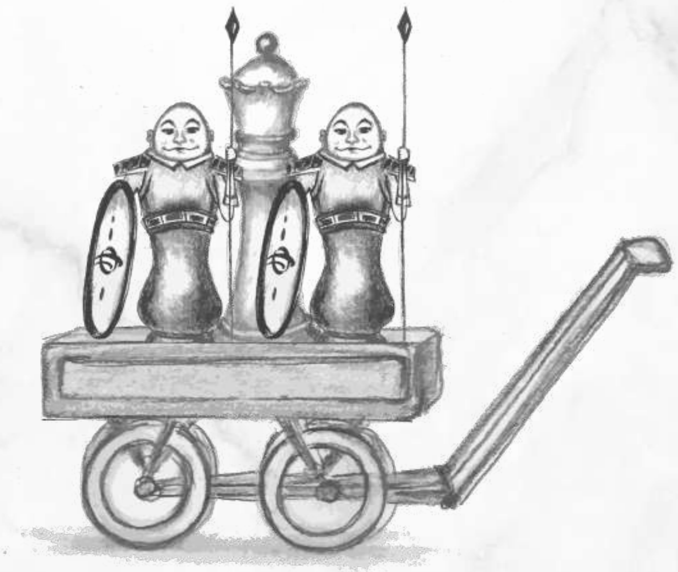
Besides Genoa, PSA also operates a number of rail services in China and India. For example, we operate weekly train services from PSA Qinzhou in Southern China to serve Western China cities such as Chongqing and Chengdu. In India, we help customers to switch from trucking to rail cargo movement between PSA Mumbai and the central and northern hinterlands to improve efficiency and visibility, thereby reducing carbon emissions.

CO-CREATING A RESILIENT AND SUSTAINABLE NETWORK

Besides bolstering the resilience of supply chain networks, we also believe in co-creating greener and more sustainable networks. In November, PSA partnered with Ocean Network Express (ONE) to launch an environmentally friendly barge sailing service from PSA Singapore to PSA Jurong Island Terminal. This initiative could potentially reduce up to 30 per cent of greenhouse gases (GHG) emissions for every twenty-foot equivalent unit (TEU) container moved.

We have also helped to ensure food resilience and diversity in Singapore. In 2021, we worked with an agricultural specialist to establish a farm-to-store supply chain in Singapore, where PSA managed the end-to-end cold chain of fresh produce. With our integrated cold chain, port and digital capabilities, we were able to provide shorter time-to-market, greater quality assurance and more diversity in Singapore's food supply.

As we steer towards the future, PSA will continue to raise the bar on supply chain excellence. The journey ahead may not always be smooth-sailing, but we strive to power through with new and innovative ways of moving the world's goods.



Innovation

INSPIRING INNOVATION AT PSA
At PSA, we believe that innovation is in our corporate DNA and central to the organisation's future success. We encourage our employees to grow through innovation, pushing past the confines of the comfortable and cultivating an agile mindset to deal with uncertainties. Nurturing a culture of innovation is fundamental to realising our innovation vision for PSA, where opportunities to innovate abound and leaders champion out-of-the-box thinking.

THE HEART OF INNOVATION
At the heart of innovation is the power of collaboration. PSA's iCAN platform enables our diverse groups of employees across the world to connect and collaborate on ideas, unbounded by geography or language. The platform currently caters to more than 13,000 staff, including newly added business units like PSA Ameya, PSA Honeycomb and PSA SECH. In the true spirit of innovation, iCAN saw an increase in ideas submitted during the COVID-19 pandemic, as our members discovered better ways to work around the new normal.

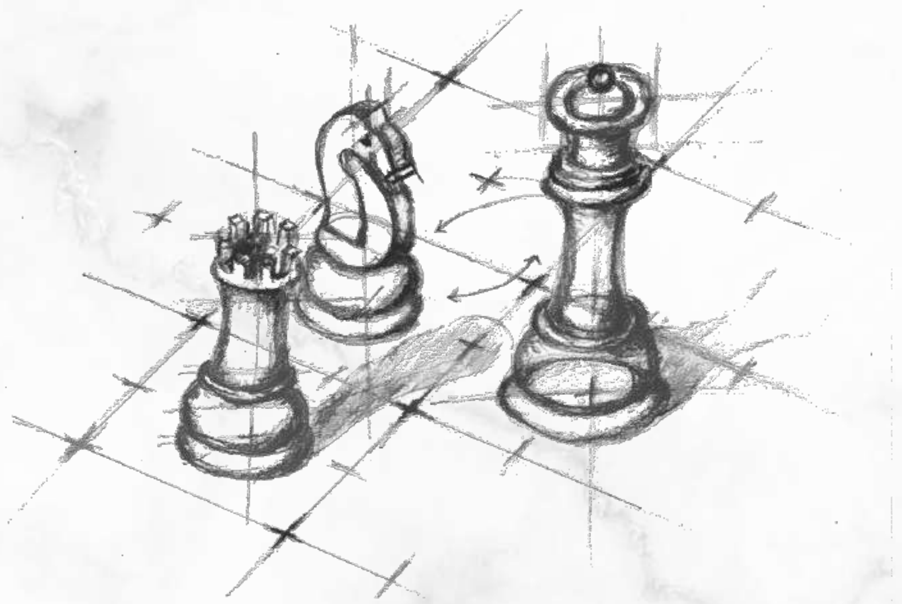
We held our inaugural global PSA Innovation Festival in 2021, a month-long event packed with exciting activities and events hosted by various business units. PSA employees across the world connected on our iCAN Platform to cross-share ideas, provide feedback and build new connections.

HONOURING OUR BOLDEST AND BRIGHTEST
The annual Kua Hong Pak Innovation Awards (KHPIA) recognises PSA employees who have displayed a strong spirit of innovation, be it through championing new ideas or experimenting with a new way of doing things. The annual KHPIA received a record 556 entries in 2021, a 15% increase from the year before.

TURNING IDEAS INTO REALITY
In order to encourage our employees to develop an agile mindset, PSA's Group Innovation Fund sets aside US$1 million annually to support the test-bedding of innovative ideas. PSA approved US$243,000 (S$331,000) in grants in 2021, which was more than twice the amount approved in the previous year.

EMBRACING AN INTELLIGENT WORKFORCE
Robotic Process Automation (RPA) was rolled out across several regions in 2021, allowing PSA's business units worldwide to streamline and automate manual and repetitive processes. RPA has greatly improved workflows and benefitted our staff by freeing up their time for higher-order tasks.

In 2021 alone, we onboarded 14 new businesses and saved 41 man-years through 122 RPA projects. We also launched webinars, workshops and newsletters to further interest, as well as training programmes to get our staff up to speed on the latest RPA technology.



Innovation

BUILDING ECOSYSTEMS OF THE FUTURE

PSA has kept its finger on the pulse of evolving technologies, adopting automation, innovation and data analytics in its terminal operations and collaboration with the port community. The Global Terminal Operating System (GTOS) and GLOBAL PORTNET® (GPN) are examples of the innovative use of technologies to drive business success.

GPN is a collaborative e-business digital solution serving both the port community and wider maritime ecosystem. Simplifying complex and integrative networks of information, the platform orchestrates efficient workflows between the port and its adjacent community, shipping lines, government agencies and maritime service providers, thus reducing turnaround time, delivering higher value and enhancing inter-operability among port users.

The digital solution platform has now been implemented in the Beibuwan region in Guangxi, China. The rollout has benefitted the four container terminals there and achieved a 60% savings in documentation and digitalised workflows. GPN has also been integrated with local regulatory and maritime functions to serve as the Maritime Single Window of Guangxi, China.

In 2021, PSA partnered with Singapore's Maritime Port Authority (MPA) to introduce GPN to power the MPA's Digital Port Just-In-Time Planning platform. MPA will use GPN to coordinate with Singapore port stakeholders such as ship owners, agents, terminal operators and marine service providers. This will enhance the turnaround time of ships calling at the Port of Singapore, increase port efficiency and reduce business costs.

PSA Global Terminal Operating System (GTOS) is one of the global products built by PSA for PSA terminals. It provides an integrated solution that empowers end to end terminal operations around the clock. GTOS embeds PSA's operational best practices and is our strategic vehicle to drive operational efficiency and sustainability.

GTOS is continually enhanced with advanced intelligence, new process automation, data-driven and Internet of Things (IoT) connectivity capabilities to ensure PSA operations continue to function at the forefront of smart port technology. With adaptive and pre-emptive features built in GTOS, terminals are able to better respond to supply chain disruptions.

Beyond terminal operations, GTOS is also infused with digitalisation technology that facilitates real-time visibility and collaboration with the port ecosystem, a key step towards enabling more resilient, agile and sustainable supply chains.

TECHNOLOGY BLUEPRINT FOR THE FUTURE

PSA Technology 4.0 (PSAT 4.0) is our enhanced technology blueprint which was newly launched in 2021. There are five broad families under PSAT 4.0: Port Technology; Enterprise Technology; Business Analytics Technology; Cargo Solutions Technology; and Marine Technology.

Each technological family provides the vision, knowledge and insights to automate our processes and help our digital workforce work smartly, speedily and securely. PSAT 4.0, together with the technology classification and management frameworks, and our Centre of Expertise programme, form the key elements of PSA's Technology Franchise.

LEVERAGING STARTUP THINKING

In 2021, PSA unboXed partnered with global supply chain visibility provider, Roambee, to enhance real-time visibility in port and cargo flow. PSA's domain expertise in port and cargo flow, combined with Roambee's real-time sensor intelligence and immersive location-aware platform, will prove to be a powerful combination for supply chain orchestration capabilities.

The strategic investment and partnership will allow PSA and Roambee to co-create a verifiable item-level, multimodal Full Container Load/Less than Container Load visibility solution and ocean milestone standard backed by first-hand sensor and port operations intelligence.

Speaking a Common Language

The motto of the International Chess Federation is “Gens una sumus”, which is Latin for “We are one people”. In the same way chess brings people together, our organisational culture, guided by our FISH! and FISH+ principles, creates a common language that unites Our People in giving their best.

Our People, Our Story

A GAME OF CHESS

Chess is a game of strategy where every piece has a different role but lends itself to a common purpose. At PSA, every individual is important, and we recognise the contributions and efforts of our diverse workforce in working alongside as one towards a common goal. At PSA, our staff continue to be developed and given opportunities to reach their potential and propel our organisation forward. We believe that a strong corporate culture of mutual support, camaraderie and trust underpins our ability to align, engage and stretch our people to prevail in every game played out in the competitive marketplace.

OUR PEOPLE, OUR PRIDE

At PSA, we believe a strong organisational culture is a key component in forging common identity and language and in creating a sense of camaraderie across PSA's business units and affiliates globally. With the FISH! and FISH+ principles (Make Their Day, Choose Your Attitude, Be There, Play, Stretch, Support, Self-Discipline, and Trust) as our guide, we co-create a culture of shared purpose and high performance. As we battled through two years of the COVID-19 pandemic, we see the unshakable resilience of our people, working in close partnerships with our labour unions to adapt and overcome pandemic and post-pandemic challenges.

GLOBAL OD MOVEMENT

PSA Organisation Development (OD) is the driver of all global initiatives and programmes promoting the corporate culture, some of which are elaborated below. We introduced the term "Global OD Movement" to reflect the perennial role of OD in constantly shaping culture, establishing a shared identity, and instilling pride in One PSA.

SPREADING THE FISH! CULTURE

FINS (FISH! Introductory Session) was launched just in time to introduce and onboard new business units into the FISH! culture. The workshop, targeted at business leaders and key change agents, serves to impart the essence of FISH!, which is "everyone for each other" and "everyone for the business". The programme has been launched to PSA entities in India, Saudi Arabia, Peru and the United States to great success.

DEVELOPING OUR LEADERS

In 2021, we launched Rabbitfish, an in-house workshop on facilitation skills for senior leaders, change agents and OD/HR practitioners. This training aims to impart a set of facilitation skills which is highly versatile and can be used to guide, encourage, and manage meetings and team relationships.

Kingfisher, a new signature programme on presentation skills was developed to build confidence in our leaders to deliver compelling presentations and speeches, and help them to convey ideas more clearly and convincingly. To that end, the S.P.O.T. framework, which stands for "Story", "Pitch", "Optics" and "Target", provides the handrails for developing a more persuasive presentation.

A five-part "Better People Manager Series" was also cascaded globally to help our leaders improve their leadership and managerial skills and create a better Smell of the Place. Topics covered include providing career guidance to employees and acknowledging employee opinions and feedback.

HEARING FROM THE GROUND

The biennial Employee Opinion Poll (EOP) in 2021 to measure organisational wellness and employee engagement was our first after two disruptive years of COVID-19. Participation rate was high at above 90% across our global family – a sign that staff remained engaged despite the challenges posed by the pandemic. We also observed heartening support for PSA's direction in managing of the pandemic. As we venture into new horizons, these EOP results will allow us to identify potential areas of improvement and create an antifragile PSA that is ready for future challenges.

Global Learning

EMERGING STRONGER IN THE POST-COVID WORLD

Over the last few years, PSA University (PSAU), the global training arm of PSA, has worked closely with stakeholders to roll out new programmes and convert existing ones to online virtual sessions and on-demand courses. This has enabled the continuing development of PSA's employees and ensured that there is no let up on building new capabilities to support the Group's business transformation across the horizons and enable it to emerge stronger in the post-pandemic world.

More than 60,000 online training placements were created as learning transformation continued in 2021.

Together with Data for Excellence and Group Technology, PSAU rolled out training on data analytics and Robotic Process Automation with programmes tailored to users' varying needs. These include ADAPT (Acquiring Data Analytics Proficiency Through Training), IMPACT (IMparting Process Automation Competency Training), Razorfish and Power BI e-learning.

In collaboration with Group Climate Response and Command (CRC), PSAU launched the Greenfish Climate Change e-learning to drive home the imperative for us to take action now to counter the adverse effects of climate change. PSA will continue to cascade the e-learning and introduce more initiatives to create greater awareness on green issues and contribute to the building of a more sustainable future.

Together with Group Human Resource, PSAU also re-launched the PSA Horizons Development (PHD) programme, PSA's in-house global apex leadership development initiative, to provide leaders with broad-based exposure and development to lead across businesses and functions.

In anticipation of further stabilisation of the COVID-19 situation and the return to greater normalcy, PSAU will look to progressively resume in-person training in a safe and calibrated manner.

Even as the pandemic situation improves, we continue to see learning taking place in various online and hybrid formats. These digital forms of learning usually require more self-direction and place the onus on the part of the learner. In this regard, PSAU will be looking at rolling out more initiatives to promote the learning culture within the organisation with a view towards greater individual ownership.

SUPPORTING BUSINESS TRANSFORMATION

The rate of change has been and will continue to be unrelenting.

PSAU is working with its various stakeholders in support of PSA's business transformation and to prepare our employees for the future.

Our in-house signature programme, Jellyfish, has been converted to e-learning format to supplement the in-person and virtually facilitated versions. The programme aims to better equip our leaders to deal with the constant change and to build support amongst their teams.

Given the increased inter-connectivity of our operating systems, PSAU has collaborated with Group IT to develop e-learning on Operational Technology Security which will be rolled out to our global operations and engineering staff handling IoT systems.

PSAU has also teamed up with Group Technology to develop programmes to drive greater understanding and adoption of Robotic Process Automation in our daily tasks so that we can work better, faster and smarter as an organisation. The e-learning will be made available in the second quarter of 2022.

With PSA fast expanding into the cargo solutions and supply chain space, PSAU is stepping up its efforts in developing relevant training to better equip our staff in support of these newer business directions.

The respective PSAU campuses in Singapore and Antwerp will also continue to support their business operations, for example in rolling out training for personnel working at the new Tuas port in Singapore which commenced operations recently.

To protect our learning franchise, our intellectual property and other proprietary information assets, Group Learning also introduced the Global Learning Governance policy in 2021. The policy serves to safeguard all learning content developed in-house by the PSA Group and our business units and provide clarity on the terms of use.

PSAU will continue to uplift the organisation's global capabilities and enhance the value of our learning franchise as we forge ahead to realise our vision of being a leader in supply chain orchestration and building a more sustainable future.

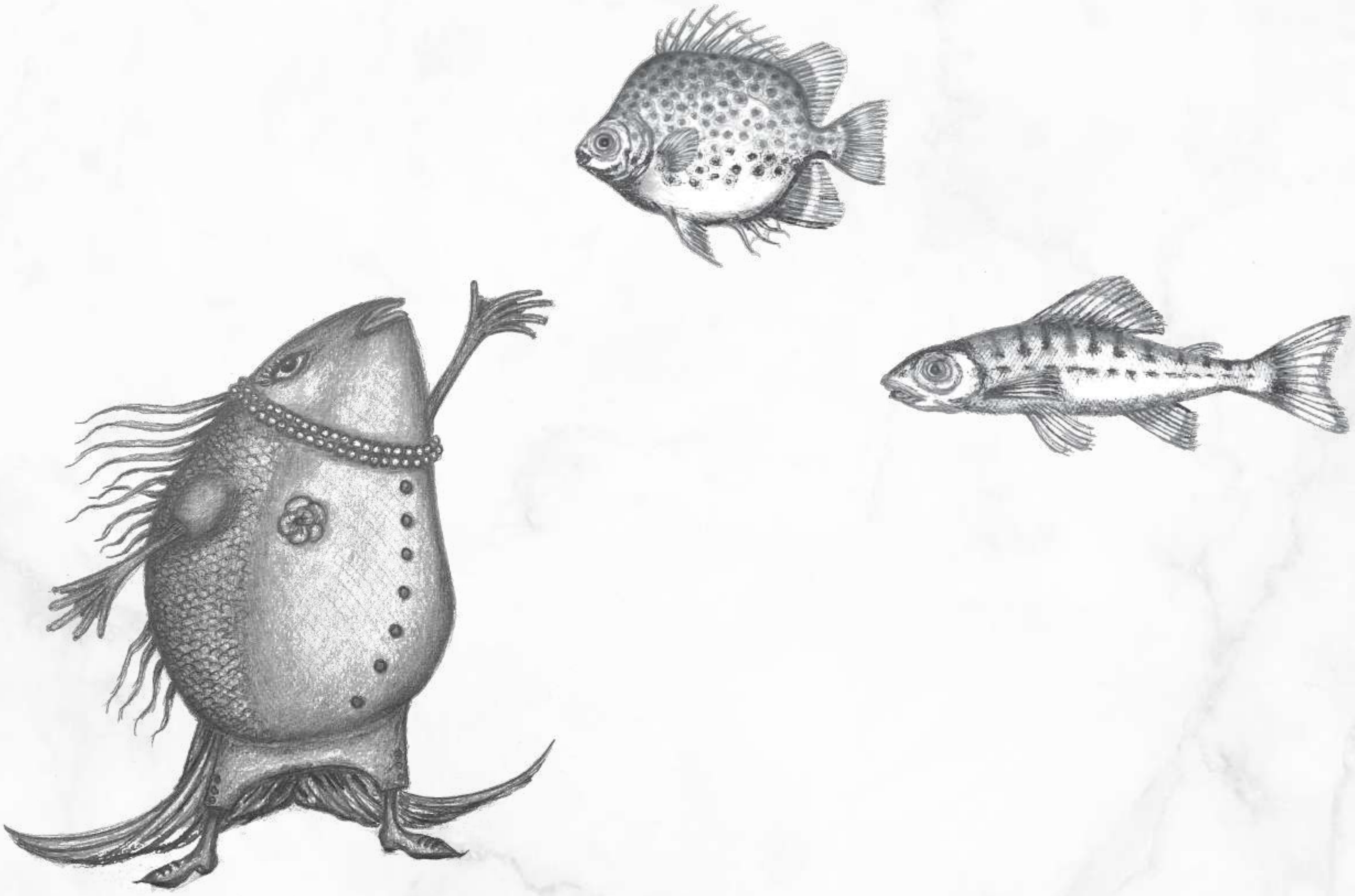
COVID-19 Response

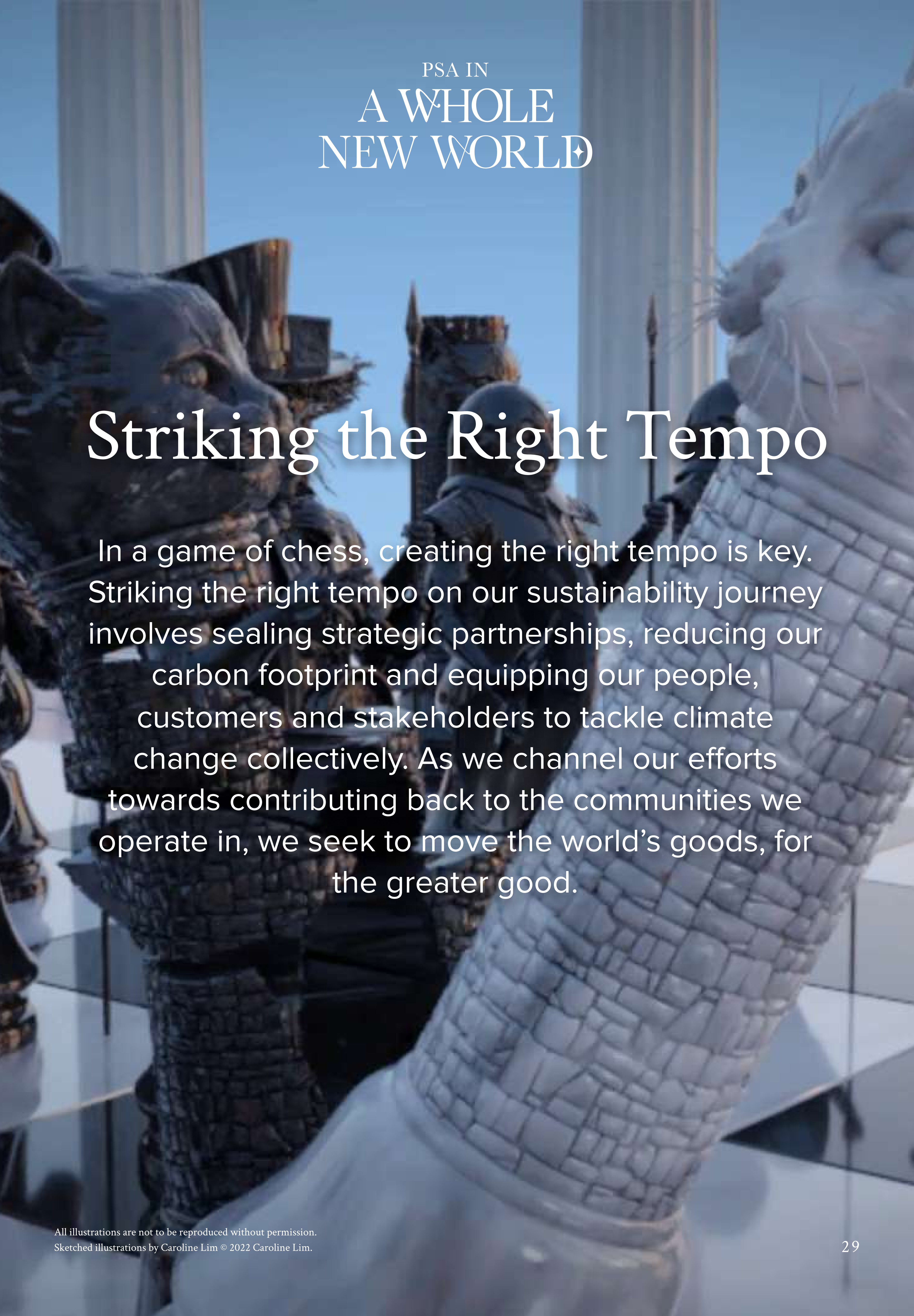
CALL TO ACTION & CALL TO MISSION

PSA's Global COVID-19 Response Task Force (GCRTF) carried on its work in 2021 to coordinate Group-wide efforts to bolster our response to the ongoing COVID-19 pandemic. GCRTF is guided by two fundamental principles: our Call to Action and Call to Mission. Our 'Call to Action' encourages us to remain vigilant to upkeep personal and operational safety. Vaccinations and booster shots form a key part of this pillar, with a high proportion of our staff now vaccinated against the virus. The second principle is our 'Call to Mission', where we contribute to the seamless movement of goods by working in close collaboration with our customers, partners and supply chain stakeholders; and offering innovative solutions that provide better interconnectivity, visibility and resilience.

SUSTAINING VIGILANCE & MENTAL RESILIENCE

In 2021, the prolonged pandemic as well as stresses brought about by the uncertainties caused the spotlight to be cast on the mental well-being of our staff. GCRTF, in partnership with Group HR and the various business units, rolled out a series of workshops, webinars, global clips and initiatives to raise the awareness and remind staff of the need to take care of their mental health. This is in addition to ongoing efforts at the Group and local level to educate and encourage staff to stay vigilant even as the pandemic ebb and flow during the year as countries grapple with finding the right mix of safety management measures to open up their societies and economies.





Striking the Right Tempo

In a game of chess, creating the right tempo is key. Striking the right tempo on our sustainability journey involves sealing strategic partnerships, reducing our carbon footprint and equipping our people, customers and stakeholders to tackle climate change collectively. As we channel our efforts towards contributing back to the communities we operate in, we seek to move the world's goods, for the greater good.

Our Climate Response

At PSA, we believe that taking climate action is our responsibility. As a global leader in the port operations and logistics industry, we are in a unique position to effect change in our sphere of influence and spur collective action towards sustainability.

In 2021, we launched our inaugural Sustainability Report, titled *Green Horizons: Enabling a Better World Through Sustainable Port and Supply Chain Solutions.* The report encapsulates our commitment to have sustainability underpin and drive our business, as we seek new horizons of growth to build a better world. The Group's Sustainability Strategy Framework is set out in the report, providing a roadmap in our ambition to drive sustainable value creation through three strategic priorities: Taking Climate Action; Transforming Supply Chains; and Nurturing A Future-Ready Workforce.

OUR CLIMATE RESPONSE

Our climate response encompasses the range of initiatives we have taken as a Group to combat climate change and reduce emissions across our terminals, as well as our efforts to collaborate with partners to improve the sustainability, resilience and efficiency of global supply chains.

The Group aims to reduce our absolute Scope 1 and Scope 2 carbon emissions by 50% by 2030 (against a 2019 baseline year), and progressively achieve net-zero carbon emissions by 2050.

ENABLING SUSTAINABLE SUPPLY CHAINS

Leveraging on digital solutions to enhance supply chain visibility and progress towards a greener ecosystem, PSA's Opt-E-Arrive programme facilitates transparent ship-to-port data exchange and real-time activity synchronisation to enable Just-In-Time vessel arrivals at our terminals. Through stakeholder collaboration and digital capabilities, it supports the dynamic optimisation of vessel arrivals with marine and terminal resource planning and efficient vessel bunker consumption.

Over and beyond, we continue to co-create and deploy innovative solutions that improve efficiency and resiliency, which support decarbonisation across supply chains. To this end, we are working towards a PSA Green Corridor, where carbon-neutral maritime routes connecting through PSA terminals globally are supported by a suite of value-added green services, generating carbon abatement values across the entire ecosystem.

Besides digital solutioning, we strive to enable long-term sustainable logistics through our offerings of alternative transportation, such as our greener option of moving cargo via rail instead of trucks, as in the example of PSA's Ashcroft Terminal in Canada. Other Cargo Solutions initiatives such as our China-Europe rail also provide greener alternatives to Beneficial Cargo Owners to move their cargos from Europe to Asia via multimodal sea-rail links.

COLLABORATING FOR CHANGE

We have also participated in more cross-industry partnerships to influence action towards sustainability. PSA International joined more than 150 organisations as a signatory for the Call to Action for Shipping Decarbonisation, developed by a multi-stakeholder task force convened by the Global Maritime Forum's Getting to Zero Coalition. Together, the signatories – which range from operators, freight forwarders to technology, research and development organisations – are taking concrete and critical steps to deliver commercially viable zero emission vessels with the necessary supporting infrastructure and fuel production by 2030.

In particular, the Supply Chain Transport Industry Community under the World Economic Forum, that is co-chaired by PSA Group CEO Tan Chong Meng, is driving impactful systemic challenges through collective actions alongside global supply chain and transport CEOs, building resiliency in the supply chain, accelerating the development and deployment of new technology, as well as sustainable industry transition.

PSA has inked a Memorandum of Understanding with management consulting organisation RHT Group of Companies to explore opportunities and investments in Environmental, Social, and Governance digital assets solutions for our stakeholders and the further decarbonisation in ports and supply chains. We also invested in fintech group SDAX Financial to further our sustainability initiatives for ports, supply chains and climate-conscious cargo owners.

CLIMATE-CONSCIOUS CULTURE

The inaugural PSA Leaders' Sustainability Series was started in 2021. This series of talks conducted by industry leaders and high-level sustainability experts hopes to better inform PSA leaders from our Corporate Centre and Business Units (BUs) as they continue to shape business strategy with sustainability in mind.

PSA employees around the world also participated in the annual PSA Go Green event. The group-wide movement is PSA's effort to promote environmental awareness and advocacy amongst our staff. The theme for the GoGreen 2021 was 'Little Green Steps' and was chosen to empower our colleagues to adopt eco-actions to reduce their carbon footprints.

Across PSA, our BUs also stepped up to the challenge by organising various green activities such as tree planting, litter picking, recycling drives, and talks to drive awareness about sustainability. Collectively, more than 2,600 trees were planted and over 4,500 kg of trash was picked up through joint clean-up activities.

Our Climate Response

TAKING CLIMATE ACTION AROUND THE WORLD
Across the world, our BUs have also made their strides towards sustainability in terminal operations.

In Southeast Asia, PSA Singapore took part in and supported Singapore's Climate Action Week 2021, an annual initiative organised by Singapore's Ministry of Sustainability and the Environment. Through a range of activities to reduce, reuse and recycle, and participating in conversations about climate resilience, our colleagues gained a better understanding of Singapore's efforts in reducing the country's carbon emissions and how industry players like PSA can support this movement to reduce the country's carbon emissions.

PSA Singapore also welcomed a new fleet of 160 liquefied natural gas (LNG) prime movers (PMs) at Singapore's Pasir Panjang Terminal. A cleaner fuel compared to diesel, LNG significantly reduces the emissions of pollutants such as nitrogen oxides, sulphur oxides and particulate matter. Compared to their diesel equivalents, these LNG PMs are able to reduce carbon emissions by an estimated 20%.

Our business units in the Europe, Mediterranean and the Americas region continued to raise awareness and educate employees about sustainability.

PSA Antwerp conducted testing of a hydrogen-powered terminal tractor and mobile hydrogen filling station at its Europa Terminal, a start for other pilot programmes that similarly aim to reduce terminal carbon emissions.

As part of PSA's global Go Green Week 2021, Ashcroft Terminal organised a series of activities and initiatives to increase understanding of climate change. For Tree Day, the terminal engaged a local nursery to gift PSA employees with trees to plant at home. A group of PSA volunteers also cleaned a park in the local community on Clean Up Day.

At Sociedad Puerto Industrial Aguadulce in Colombia, 90% of the terminal's water consumption was derived through rainwater harvesting and the terminal also recycled a portion of their waste material.

Mersin International Port in Turkey implemented a new mineral oil dispensing system to reduce the number of waste barrels and minimise the risk of spillage.

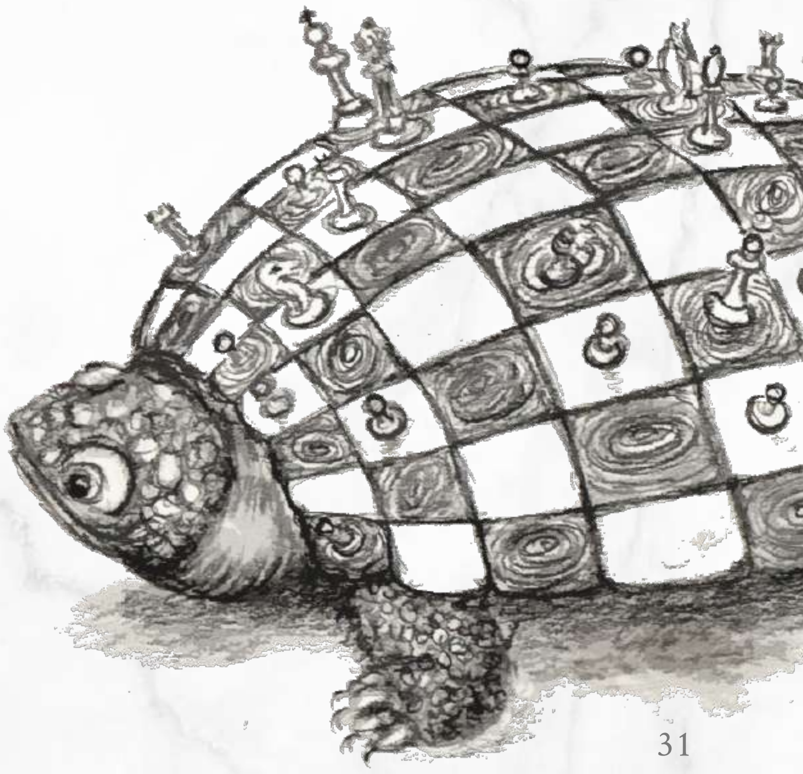
Over in Northeast Asia, we continued to invest in smart energy technology to reduce emissions and wastage. In China, Tianjin Port Pacific International Container Terminal (TPCT) created a comprehensive smart energy consumption control platform. Through precise digital remote electricity meters, explosion-proof mobile terminals and AI recognition technology, TPCT is now able to monitor real-time status and energy consumption data in the terminal. PSA Fujian Supply Chain Co. also partnered with Fujian PSA Portnet to implement an Automobile Inventory Management app, to reduce the use of paper used for administrative procedures.

Guangzhou Container Terminal also converted 20 diesel prime movers into their electric counterparts in a bid to remove carbon emissions.

Our container terminals over in the Middle East South Asia region continued to champion sustainability causes through the 3Rs of waste management strategies – reduce, reuse and recycle. PSA Mumbai kickstarted the conversion of its diesel VSG RTGs to e-RTGs, with a vision of full conversion to e-RTGs by 2024.

As we move towards sustainable port development, PSA put in place new requirements across our major terminal construction projects – shifting away from the use of carbon intensive traditional portland cement – to encouraging the use of more sustainable alternative binders instead.

Our global ports and projects remain steadfast in our commitment to sustainability despite the challenges brought about by the COVID-19 pandemic. Working alongside partners, we will continue to orchestrate a more sustainable and resilient future for the communities we operate in and our world.



Community Relations

Giving Back to Our Communities

At PSA, we are committed to serving the communities in which we operate. We believe in creating positive change beyond the industry, especially at a time when the world is still recovering from the repercussions of COVID-19.

In 2021, PSA International donated S$500,000 to Keppel Club's annual Charity Golf fundraiser in Singapore. The event was graced by Singapore's President Halimah Yacob and funds raised were channelled to support 92 charities under the President's Challenge as well as 18 charities partnered by Keppel Club.

Separately, PSA also contributed S$10,000 towards the Jalan Kayu Charity Golf event which sought to raise funds for the needy, including those financially impacted by the COVID-19 pandemic.

Continuing its CSR focus in creative and performing arts, PSA provided financial support to the Singapore Chinese Orchestra as well as budding artists.

Cognizant of the fact that good governance will impact lives and businesses, PSA contributed S$20,000 towards the Institute of Public Policy and its Singapore Perspectives (SP) conference which was held in January 2022. The annual SP event seeks to engage Singaporeans in a lively debate about public policy challenges the country faces. Besides the financial sponsorship, PSA's Group CEO Tan Chong Meng also participated in a forum discussion on the topic "City as Connected Space".

In 2021, heeding a call to action by Temasek Foundation, PSA took a significant step forward in sustainability efforts with a US$100,000 (S$136,000) sponsorship of two global community initiatives. The first project involves the restoration of mangroves under the M40 cities network – a global network of cities with close proximity to existing mangrove reserves, to facilitate and enhance collective action through knowledge sharing, financing and acceleration of climate action. The second initiative supports a pilot programme on circular economy intervention, focusing on waste management to accelerate the blue and green economy in cities.

As we continue to give back to local communities where PSA has a presence, we also make a conscious effort to acknowledge the invaluable contributions of local unions. PSA donated S$75,000 to commemorate the 75th anniversary of the Singapore Port Workers Union (SPWU), in appreciation of the union's close partnership with staff and management over the decades, which has helped to enable the Port of Singapore's status today as the world's largest container transhipment hub.

PSA's Health@Home (H@H) programme was launched in 2015 to encourage a spirit of volunteerism among Singapore-based staff. H@H maintained its momentum despite the pandemic restricting physical gatherings and interactions. The H@H team of volunteers pivoted and developed new ways to stay connected with their beneficiaries. One of the highlights was a virtual port tour of PSA Singapore's Pasir Panjang Terminal and the new Tuas Port.

Under the PSAssist programme, specialised care packs were also distributed to the care givers from our H@H beneficiaries to recognise the hard work and dedication of all who work in the community care sector especially over the course of the pandemic.

To reach out to our beneficiaries during the festive season, PSA Singapore partnered with CrimsonLogic to fulfil wishes from 500 individuals in need. Christmas gifts with a total value of S$35,000 were delivered to beneficiaries from the Children's Cancer Foundation (Singapore), HCA Hospice Care, Lions Befrienders, The Haven (The Salvation Army Singapore), as well as patients with life-limiting illnesses, elders who live alone or in rental housing, at-risk youths, and low-income residents.

To support increasing awareness on mental health issues, PSA Singapore also donated S$10,000 to Cycle & Carriage for "The MINDSET Challenge & Carnival", with proceeds going to Touch Community Services, a not-for-profit charity which provides community outreach and intervention for youths and their families.

Our Eastern Sea Laem Chabang Terminal in Thailand also donated bio-hazard trash bags, medical face masks, clothes and other essential supplies to public service units and the Laem Chabang Hospital to support the COVID-19 response efforts in the community.

In China, Dalian Container Terminal supported and visited schools for children with special needs with about CNY7,300 (S$1,555) in supplies such as rice, flour and oil. They also kickstarted public donation drives for books to benefit schools in the community.

Fuzhou Container Terminal sponsored the planting of 500 fruit trees and supported the local villagers in selling the fruits for their daily needs.

Guangzhou Container Terminal (GCT) provided volunteer support for a special needs school in Huangpu, Guangzhou. This is the ninth consecutive year that GCT has spearheaded donation efforts for the school.

Community Relations

LYG-PSA Container Terminal (LPCT) continued its industry partnership with Jiangsu Ocean University. Through this collaboration, university students are given a two-month industrial attachment with LPCT to gain valuable work experience.

Over in South Korea, the three PSA Korea terminals collectively donated KRW13 million (S$15,000) to the Korean Association for Children with Leukaemia and Cancer. In addition, staff also painted cards with words of encouragement to spread love and support for the children battling these illnesses during the pandemic.

PSA India's business units extended help to less fortunate communities by providing food to the needy, resources such as beds and oxygen cylinders to public hospitals, as well as educational materials to students of Shrimad Rajchandra Atma Tatva Research Centre.

PSA Chennai also supported nearby communities with the reconstruction of infrastructure like roofs and bore wells of the Indian Council for Child Welfare in Chennai and donated COVID-19 relief materials to neighbouring fishing communities. In addition, staff at PSA Chennai volunteered to distribute food supplies to children at the Indian Council for Child Welfare.

PSA Mumbai organised a beach clean-up at Pirwadi Beach, located about 15 kilometres away from the terminal. Close to 100 staff volunteered to pick up litter at the beach, disposing of nearly 600kg of plastic waste.

In Saudi Arabia, Saudi Global Ports (SGP) supported a range of social causes that directly benefitted those in need. SGP donated SAR30,000 (S$11,000) to Sanad Children's Cancer Support Association which supports children with cancer through social services programmes and scientific research grants.

SGP also supported the Dhahran Municipality's "Let's Walk" walkathon with a sponsorship of SAR35,000 (S$12,700). The walkathon was part of the Dhahran Municipality's efforts to promote healthy living and provide a platform for small businesses in Dhahran to engage the community.

PSA Europe, Mediterranean & the Americas' business units held their annual regional charity movement – which saw staff clocking in runs, swims and bicycle rides to raise funds for charity while simultaneously fostering a sense of togetherness. In total, €32,500 (S$52,097) was raised and the funds were distributed to local charity initiatives.

In PSA Italy, part of the proceeds was donated to Tutti per Atta, which supports local charities in the fight against childhood diseases.

In addition, Belgian colleagues had the opportunity to nominate local projects and organisations they are involved in. PSA Belgium sponsored 20 of these charities and donated school materials, such as laptops, to children through a local youth club City Pirates.

Mersin International Port in Turkey also provided TRY1 million (S$92,350) in support of the "Fire and Flood Disaster Relief Campaign" initiated by the Disaster and Emergency Management Presidency of Turkey (AFAD) following a spate of more than 200 wildfires in July and August 2021.

DCT Gdańsk supported local communities through food donations and charity drives. The terminal provided meals for healthcare workers battling COVID-19, as well as seniors in the Stogi district where the terminal is located.

To help individuals who may be digitally excluded as a result of disruptions caused by the pandemic, DCT Gdańsk also worked with one of its shareholders to create a fully-equipped multimedia room to hold trainings and workshops on IT skills, the use of basic communication platforms, job search and vocational skills for people with intellectual disabilities, their families, and seniors from the local community.

To reach out to communities during the festivities, PSA Sines in Portugal helped with the refurbishment and painting of a Boys' Home and also donated Christmas hampers to some 300 families in need.

Community Relations

Ashcroft Terminal presented the Ashcroft Terminal Trades Bursary to support and develop local talent. The scholarship – which is in its second year – is awarded to graduates of a local high school who pursue their post-secondary education in trades relevant to the local community.

Ashcroft Terminal also provided resources, equipment and a base for firefighters who fought against the wildfires in the province of British Columbia in July 2021. The terminal's staff supported 60 evacuees in the community with limited access to fresh and healthy food, and provided empty containers for locals to store and save their belongings. Donations were also made to the Emergency Donation Centre of Siska Indian Band and the South Cariboo Elizabeth Fry Society to support wildfire evacuees.

At PSA Halifax, staff participated in meal donation drives at the local food bank to support children in the community.

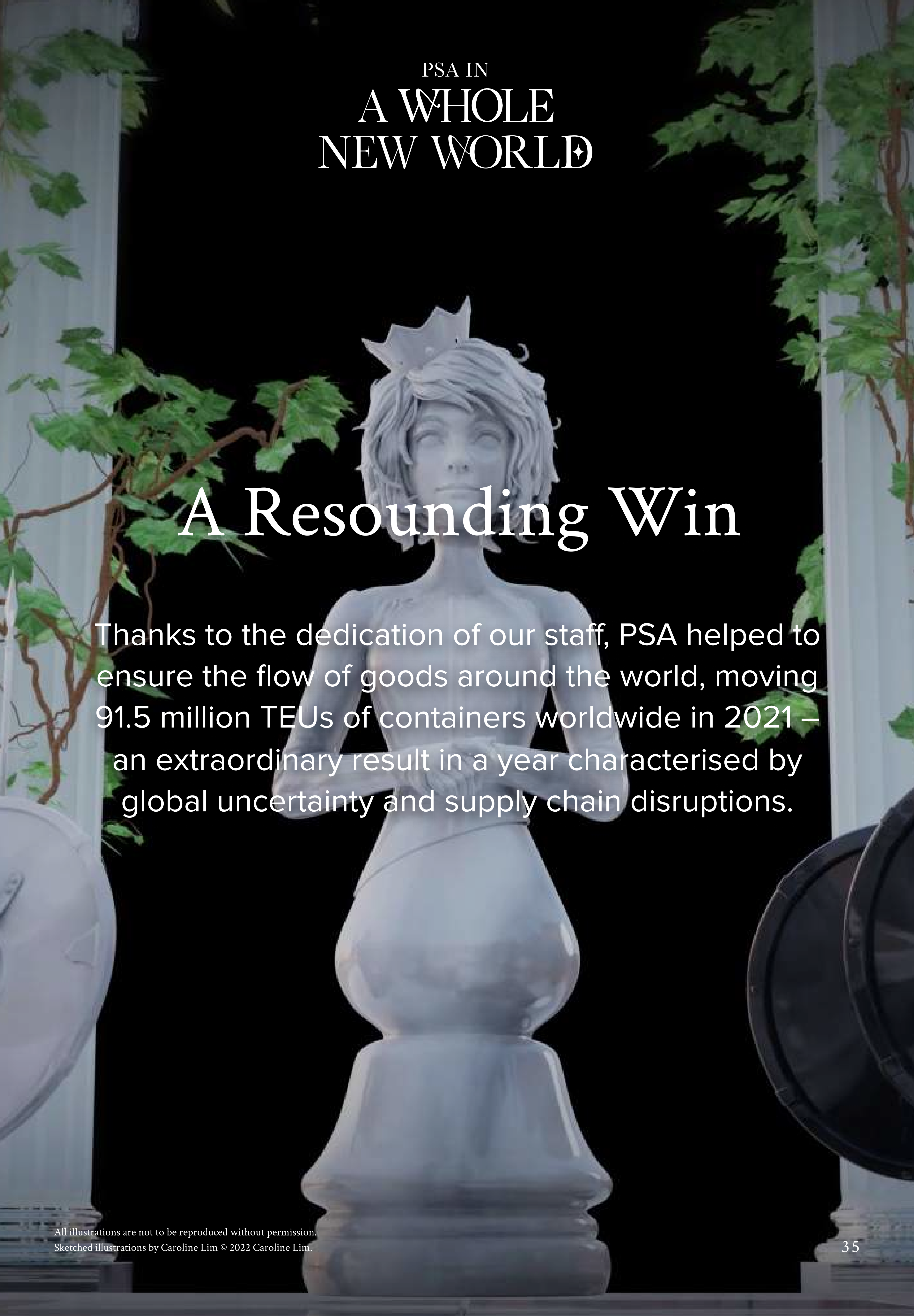
International Trade Logistics (ITL) in Exolgan continued to work with local organisations to provide meals and food donations to needy communities. In addition, ITL also delivered school supplies to 10 non-profit organisations in the community.

For six years in a row now, PSA Panama has actively participated in nation-wide walks and runs that seek to raise funds for children and adults with leukaemia or cancer.

PSA Penn Terminals in Philadelphia, USA, also donated US$5,000 (S$6,763) to sponsor a charity event for children in the local township.

Sociedad Puerto Industrial Aguadulce's social foundation was also recognised for its contributions towards local communities, as it was named among Colombia's "Alliances that Overcome Poverty", a recognition given by the National Government, Department of National Prosperity.

As a global port operator and supply chain partner, PSA is committed to creating a better and more sustainable world, making a positive impact within the communities where we operate.



A Resounding Win

Thanks to the dedication of our staff, PSA helped to ensure the flow of goods around the world, moving 91.5 million TEUs of containers worldwide in 2021 – an extraordinary result in a year characterised by global uncertainty and supply chain disruptions.

PSA IN

A WHOLE NEW WORLD

FINANCIAL REPORT 2021

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

We are pleased to submit this annual report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

In our opinion:

(a) the financial statements set out on pages 7 to 57 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) and International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

The directors in office at the date of this statement are as follows:

Mr Peter Robert Voser	(Group Chairman)
Mr Tan Chong Meng	(Group Chief Executive Officer)
Mr Foo Ji-Xun	(Appointed on 1 November 2021)
Mr Frank Kwong Shing Wong	
Ms Jeanette Wong Kai Yuan	
Mr Kaikhushru Shiavax Nargolwala	
Mr Pang Kin Keong	
Mr Tan Tiang Yew Irving	(Appointed on 1 April 2021)
Ms Tang Ai Ai	(Appointed on 1 November 2021)
Mr Tommy Thomsen	

DIRECTORS' INTERESTS

According to the register kept by the Company for the purposes of Section 164 of the Singapore Companies Act 1967, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in related corporations are as follows:

Name of director and corporation in which interests are held	Holdings at beginning of the year/date of appointment	Holdings at end of the year
Tan Chong Meng		
Sembcorp Marine Ltd		
- Ordinary shares	N.A.[1]	14,500,000
Foo Ji-Xun		
Singapore Airlines Limited		
- Ordinary shares	313,920	313,920
Frank Kwong Shing Wong		
Mapletree North Asia Commercial Trust Management Ltd.		
- Unit holdings in Mapletree North Asia Commercial Trust	1,369,000[2]	2,639,000[3]
Singapore Airlines Limited		
- Ordinary shares	210,000	–
Jeanette Wong Kai Yuan		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	350,000	150,000
CapitaLand Limited		
- Ordinary shares	15,000	N.A.[4]
CapitaLand Investment Limited		
- Ordinary shares	N.A.	15,000[5]

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

Name of director and corporation in which interests are held	**Holdings at beginning of the year/date of appointment**	**Holdings at end of the year**
CapitaLand Integrated Commercial Trust Management Limited		
- Unit holdings in CapitaLand Integrated Commercial Trust	–	2,320[5]
CapitaLand China Trust Management Limited (formerly known as CapitaLand Retail China Trust Management Limited)		
- Unit holdings in CapitaLand China Trust (formerly known as CapitaLand Retail China Trust)	225,000	225,000
Mapletree Logistics Trust Management Ltd.		
- Unit holdings in Mapletree Logistics Trust	125,000	–
Singapore Airlines Limited		
- Ordinary shares	16,500	16,500
- Mandatory Convertible Bonds	19,470	53,955
Singapore Technologies Engineering Ltd		
- Ordinary shares	10,000	–
Singapore Telecommunications Limited		
- Ordinary shares	17,821	17,821
Kaikhushru Shiavax Nargolwala		
Ascendas Funds Management (S) Limited		
- Unit holdings in Ascendas Real Estate Investment Trust	114,000[2]	234,000[2]
CapitaLand Integrated Commercial Trust Management Limited		
- Unit holdings in CapitaLand Integrated Commercial Trust	100,000[2]	100,000[2]
Mapletree Industrial Trust Management Ltd.		
- Unit holdings in Mapletree Industrial Trust	–	168,000[2]
Mapletree Real Estate Advisors Pte. Ltd.		
- Unit holdings in Mapletree Global Student Accommodation Private Trust	4,608[6]	4,608[6]
SIA Engineering Company Limited		
- Ordinary shares	105,000[2]	105,000[2]
Singapore Technologies Engineering Ltd		
- Ordinary shares	87,000[2]	87,000[2]
Singapore Telecommunications Limited		
- Ordinary shares	556,000[2]	556,000[2]
Tang Ai Ai		
Singapore Telecommunications Limited		
- Ordinary shares	190	190

[1] Became a related corporation during the financial year.
[2] Held in trust by trustee company on behalf of the director.
[3] Includes interest in 1,369,000 unit holdings in Mapletree North Asia Commercial Trust, held in trust by trustee company on behalf of the director.
[4] Delisted from SGX-ST on 21 September 2021.
[5] Pursuant to the scheme of arrangement undertaken by CapitaLand Limited ("CL") and CLA Real Estate Holdings Pte. Ltd. ("CLA") as set out in the scheme document dated 17 July 2021, each eligible CL ordinary shareholder (excluding CLA) received a scheme consideration comprising 1 CapitaLand Investment Limited share, 0.154672686 units in CapitaLand Integrated Commercial Trust and S$0.951 in cash.
[6] Held in trust by trustee company on behalf of the director and consists of 2,304 Class A and 2,304 Class B units respectively.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

YEAR ENDED 31 DECEMBER 2021

SHARE OPTIONS

During the financial year, there were:

(i) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries; and
(ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company or its subsidiaries.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiaries under options.

AUDITORS

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Peter Robert Voser
Director

Tan Chong Meng
Director

2 March 2022

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2021

Member of the Company
PSA International Pte Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of PSA International Pte Ltd (the Company) and its subsidiaries (the Group), which comprise the statements of financial position of the Group and the Company as at 31 December 2021, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 57.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967, Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of goodwill ($482.0 million)
(Refer to notes 2.1, 2.6 and 4 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The Group has goodwill for which SFRS(I) 1-36 *Impairment of Assets* requires at least an annual impairment assessment. This assessment involves management identifying the cash-generating units (CGUs) to which the goodwill relates and estimating the recoverable amounts of the CGUs. An impairment is recognised when the recoverable amounts of the CGUs are lower than the carrying amounts of the CGUs goodwill and operating assets comprising intangibles and property plant and equipment. The recoverable amounts of the CGUs are determined based on assumptions of expected growth in revenue, gross margin and discount rates. These estimates require judgement and is a key focus area of our audit.	We assessed the Group's process over setting annual budgets on which the cash flow projections are based. We assessed the key assumptions on revenue growth rates and operating profit margins applied in the cash flow projections based on our knowledge of the CGUs' operations and compared them against economic and industry forecasts. This included making enquiries with management to understand their future plans around growth and capital expenditures. We assessed the methodology and key inputs used to derive the discount rates, including comparison with comparable companies. We performed sensitivity analysis around the key assumptions to assess the extent of the change that would be required for the assets to be impaired. We also assessed the adequacy of the Group's disclosures on the CGUs' key assumptions used and sensitivity of the outcome of the impairment assessment to changes in key assumptions.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2021

Valuation of trade and accrued receivables ($575.0 million)
(Refer to notes 2.1, 2.8, 12 and 13 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
The collectability of trade and accrued receivables is considered a key audit matter due to the inherent subjectivity that was involved in estimating expected credit losses (ECL).	We tested key controls over the Group's credit review and collection process. This included reviewing the Group's process to identify and monitor ECL, as well as the Group's basis of making allowance for ECL. We identified a sample of outstanding balances of significant amounts for collectability assessment individually. Where the debt is subject to dispute or potential dispute, we reviewed management's assessment of collectability and the Group's rights under the contracts to assess the reasonableness of recorded allowance amount. We compared the Group's views of collectability of outstanding amounts to historical patterns of receipts and cash received subsequent to year end.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon. We have obtained the Directors' statement and Group financial highlights prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, SFRS(I) and IFRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

YEAR ENDED 31 DECEMBER 2021

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Quek Shu Ping.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
2 March 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

	Note	Group 2021 $'000	Group 2020 $'000	Company 2021 $'000	Company 2020 $'000
Assets					
Property, plant and equipment	3	6,137,245	5,931,401	648	645
Intangible assets	4	2,598,693	2,535,758	45,511	39,803
Right-of-use assets	5	908,778	998,104	5,136	–
Subsidiaries	6	–	–	10,620,056	10,748,602
Associates	7	3,469,194	3,204,997	–	–
Joint ventures	8	3,659,256	3,576,976	–	–
Financial assets	9	1,915,905	1,360,025	100,619	86,704
Other non-current assets	10	214,603	202,005	7,512	12,648
Deferred tax assets	11	39,126	39,349	–	–
Non-current assets		18,942,800	17,848,615	10,779,482	10,888,402
Inventories		51,210	45,799	–	–
Trade and other receivables	12	980,843	1,080,561	270,745	200,274
Cash and bank balances	15	3,685,049	4,396,964	2,100,737	2,811,376
Current assets		4,717,102	5,523,324	2,371,482	3,011,650
Total assets		23,659,902	23,371,939	13,150,964	13,900,052
Equity					
Share capital	16	1,135,372	1,135,372	1,135,372	1,135,372
Accumulated profits and other reserves	17	12,786,828	11,230,788	9,827,879	9,242,978
Equity attributable to owner of the Company		13,922,200	12,366,160	10,963,251	10,378,350
Non-controlling interests		740,050	760,056	–	–
Total equity		14,662,250	13,126,216	10,963,251	10,378,350
Liabilities					
Borrowings	18	4,319,645	4,204,340	891,715	1,535,896
Lease liabilities	18	974,601	1,062,473	–	–
Provisions	19	12,554	10,624	–	–
Other non-current obligations	20	526,507	451,079	338,123	264,431
Deferred tax liabilities	11	679,877	497,902	18,447	9,964
Non-current liabilities		6,513,184	6,226,418	1,248,285	1,810,291
Borrowings	18	488,428	2,224,525	–	905,882
Lease liabilities	18	53,416	58,190	5,233	–
Trade and other payables	21	1,765,927	1,464,509	924,815	784,283
Current tax payable		176,697	272,081	9,380	21,246
Current liabilities		2,484,468	4,019,305	939,428	1,711,411
Total liabilities		8,997,652	10,245,723	2,187,713	3,521,702
Total equity and liabilities		23,659,902	23,371,939	13,150,964	13,900,052

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Revenue	23	4,669,840	4,178,938
Other income	24	228,134	224,264
Staff and related costs	25	(1,196,424)	(1,013,887)
Contract services		(677,109)	(551,897)
Running, repair and maintenance costs		(426,956)	(342,094)
Other operating expenses		(414,809)	(433,188)
Property taxes		(31,773)	(23,524)
Depreciation and amortisation		(759,858)	(748,007)
Profit from operations	26	1,391,045	1,290,605
Finance costs	27	(195,848)	(239,314)
Share of profit of associates, net of tax		210,214	187,202
Share of profit of joint ventures, net of tax		276,504	174,249
Profit before income tax		1,681,915	1,412,742
Income tax expense	28	(253,994)	(221,507)
Profit for the year		1,427,921	1,191,235
Profit attributable to:			
Owner of the Company		1,381,192	1,168,072
Non-controlling interests		46,729	23,163
Profit for the year		1,427,921	1,191,235

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2021

	2021 $'000	2020 $'000
Profit for the year	1,427,921	1,191,235
Other comprehensive income		
Items that will not be reclassified to income statement:		
Defined benefit plan remeasurements	1,041	(887)
Net change in fair value of equity investments at FVOCI	528,446	60,989
Income tax on other comprehensive income	(142,797)	(2,570)
	386,690	57,532
Items that are or may be reclassified subsequently to income statement:		
Exchange differences of foreign operations	72,381	(68,135)
Exchange differences on monetary items forming part of net investment in foreign operations	(11,990)	64,153
Exchange differences on hedge of net investment in a foreign operation	(47,730)	62,684
Inflation adjustment for the year	52,740	27,725
Effective portion of changes in fair value of cash flow hedges	57,782	8,440
Net change in fair value of cash flow hedges reclassified to income statement	(30,974)	(19,405)
Share of reserves in associates	96,851	55,694
Share of reserves in joint ventures	(3,117)	1,830
Reserves reclassified to income statement on disposal of subsidiaries	–	(382)
Reserves reclassified to income statement on disposal of a joint venture	–	340
Income tax on other comprehensive income	(348)	940
	185,595	133,884
Other comprehensive income for the year, net of tax	572,285	191,416
Total comprehensive income for the year	2,000,206	1,382,651
Total comprehensive income attributable to:		
Owner of the Company	1,967,329	1,359,460
Non-controlling interests	32,877	23,191
Total comprehensive income for the year	2,000,206	1,382,651

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Share capital	Capital reserve	Insurance reserve	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Accumulated profits	Total attributable to owner of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2020	1,135,372	20,036	97,357	(1,093,028)	(6,215)	(323,977)	11,676,052	11,505,597	713,686	12,219,283
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,168,072	1,168,072	23,163	1,191,235
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	(65,382)	–	–	–	(65,382)	(2,753)	(68,135)
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	64,153	–	–	–	64,153	–	64,153
Exchange differences on hedge of net investment in a foreign operation	–	–	–	62,684	–	–	–	62,684	–	62,684
Inflation adjustment for the year	–	–	–	27,725	–	–	–	27,725	–	27,725
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	236	–	–	236	8,204	8,440
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(11,776)	–	–	(11,776)	(7,629)	(19,405)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	58,783	–	58,783	2,206	60,989
Share of reserves in associates	–	(17,824)	–	26,553	–	46,965	–	55,694	–	55,694
Share of reserves in joint ventures	–	–	–	658	191	–	981	1,830	–	1,830
Reserves reclassified to income statement on disposal of subsidiaries	–	–	–	(382)	–	–	–	(382)	–	(382)
Reserves reclassified to income statement on disposal of a joint venture	–	–	–	340	–	–	–	340	–	340
Defined benefit plan remeasurements	–	–	–	–	–	–	(887)	(887)	–	(887)
Income tax on other comprehensive income	–	–	–	–	940	1,239	(3,809)	(1,630)	–	(1,630)
Total other comprehensive income	–	(17,824)	–	116,349	(10,409)	106,987	(3,715)	191,388	28	191,416
Total comprehensive income for the year	–	(17,824)	–	116,349	(10,409)	106,987	1,164,357	1,359,460	23,191	1,382,651
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	–	–	–	–	(543)	–	–	(543)	–	(543)
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	31,886	31,886
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(37,005)	(37,005)
Interim tax-exempt dividend declared and paid of $0.82 per share	–	–	–	–	–	–	(500,000)	(500,000)	–	(500,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(500,000)	(500,000)	(5,119)	(505,119)
Changes in ownership interests in subsidiaries										
Acquisition of interest in a subsidiary with non-controlling interests	–	–	–	–	–	–	–	–	14,876	14,876
Disposal of interest in subsidiaries to non-controlling interests, with change in control	–	–	–	327	–	(1,105)	2,424	1,646	13,422	15,068
Total changes in ownership interests in subsidiaries	–	–	–	327	–	(1,105)	2,424	1,646	28,298	29,944
At 31 December 2020	1,135,372	2,212	97,357	(976,352)	(17,167)	(218,095)	12,342,833	12,366,160	760,056	13,126,216

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2021

	Share capital	Capital reserve	Insurance reserve	Foreign currency translation reserve	Hedging reserve	Fair value reserve	Accumulated profits	Total attributable to owner of the Company	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2021	1,135,372	2,212	97,357	(976,352)	(17,167)	(218,095)	12,342,833	12,366,160	760,056	13,126,216
Total comprehensive income for the year										
Profit for the year	–	–	–	–	–	–	1,381,192	1,381,192	46,729	1,427,921
Other comprehensive income										
Exchange differences of foreign operations	–	–	–	88,571	–	–	–	88,571	(16,190)	72,381
Exchange differences on monetary items forming part of net investment in foreign operations	–	–	–	(11,990)	–	–	–	(11,990)	–	(11,990)
Exchange differences on hedge of net investment in a foreign operation	–	–	–	(47,730)	–	–	–	(47,730)	–	(47,730)
Inflation adjustment for the year	–	–	–	52,740	–	–	–	52,740	–	52,740
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	47,482	–	–	47,482	10,300	57,782
Net change in fair value of cash flow hedges reclassified to income statement	–	–	–	–	(22,758)	–	–	(22,758)	(8,216)	(30,974)
Net change in fair value of equity investments at FVOCI	–	–	–	–	–	528,192	–	528,192	254	528,446
Transfer of reserve	–	–	–	–	–	525	(525)	–	–	–
Share of reserves in associates	–	30,265	–	(25,747)	–	92,333	–	96,851	–	96,851
Share of reserves in joint ventures	–	–	–	236	–	(2,681)	(672)	(3,117)	–	(3,117)
Defined benefit plan remeasurements	–	–	–	–	–	–	1,041	1,041	–	1,041
Income tax on other comprehensive income	–	–	–	–	(348)	(139,581)	(3,216)	(143,145)	–	(143,145)
Total other comprehensive income	–	30,265	–	56,080	24,376	478,788	(3,372)	586,137	(13,852)	572,285
Total comprehensive income for the year	–	30,265	–	56,080	24,376	478,788	1,377,820	1,967,329	32,877	2,000,206
Hedging gains and losses and costs of hedging transferred to property, plant and equipment	–	–	–	–	383	–	–	383	–	383
Transactions with owner, recorded directly in equity										
Contributions by and distributions to owner of the Company										
Capital contribution by non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	540	540
Dividends paid to non-controlling shareholders of subsidiaries	–	–	–	–	–	–	–	–	(61,598)	(61,598)
Final tax-exempt dividend declared and paid of $0.33 per share	–	–	–	–	–	–	(200,000)	(200,000)	–	(200,000)
Interim tax-exempt dividend declared and paid of $0.33 per share	–	–	–	–	–	–	(200,000)	(200,000)	–	(200,000)
Total contributions by and distributions to owner of the Company	–	–	–	–	–	–	(400,000)	(400,000)	(61,058)	(461,058)
Changes in ownership interests in subsidiaries										
Acquisition of interest in a subsidiary with non-controlling interests	–	–	–	–	–	–	–	–	13,595	13,595
Acquisition of non-controlling interests without a change in control	–	–	–	–	–	–	(11,672)	(11,672)	(5,420)	(17,092)
Total changes in ownership interests in subsidiaries	–	–	–	–	–	–	(11,672)	(11,672)	8,175	(3,497)
At 31 December 2021	1,135,372	32,477	97,357	(920,272)	7,592	260,693	13,308,981	13,922,200	740,050	14,662,250

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Profit for the year		1,427,921	1,191,235
Adjustments for:			
Depreciation and amortisation		759,858	748,007
Impairment made for:			
Intangible assets		5,176	65,000
Property, plant and equipment		4,003	39,995
Joint ventures		13,384	–
Net change in fair value of equity investments at FVTPL		(83)	(426)
Net fair value gain on fair value hedge		(1,058)	–
(Gain)/loss on disposal of:			
Financial assets		(431)	(175)
Intangible assets		845	1,731
Joint ventures		–	(50,749)
Property, plant and equipment		276	(4,890)
Subsidiary		(8,707)	–
Dividend income from financial assets		(57,458)	(38,100)
Interest income		(77,359)	(108,633)
Share of profit of associates, net of tax		(210,214)	(187,202)
Share of profit of joint ventures, net of tax		(276,504)	(174,249)
Finance costs	27	195,848	239,314
Income tax expense	28	253,994	221,507
		2,029,491	1,942,365
Changes in working capital:			
Inventories		(5,411)	(2,588)
Trade and other receivables		70,715	(100,656)
Trade and other payables		358,770	231,976
Cash generated from operations		2,453,565	2,071,097
Income tax paid		(309,950)	(208,813)
Net cash from operating activities		2,143,615	1,862,284

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2021

	Note	2021 $'000	2020 $'000
Cash flows from investing activities			
Dividends received		399,332	221,318
Interest received		48,713	76,745
Purchase of property, plant and equipment and intangible assets		(823,610)	(590,573)
Proceeds from disposal of property, plant and equipment and intangible assets		21,781	36,781
Purchase of financial assets		(25,027)	(356)
Investment in an associate		(8,925)	–
Investments in and loans to joint ventures		(56,046)	(14,496)
Repayment of loans provided to joint ventures		37,438	10,868
Loan to a non-controlling shareholder of a subsidiary		(19,600)	(9,800)
Acquisition of interests in subsidiaries, net of cash acquired	32	(157,546)	(206,350)
Acquisition of interest in a subsidiary from non-controlling interests, without a change in control		(17,092)	–
Disposal of interest in a subsidiary to non-controlling interests, with a change in control, net of cash disposed	32	9,948	–
Proceeds from disposal of interest in subsidiaries to non-controlling interest, without a change in control		–	15,068
Proceeds from disposal of a joint venture		–	69,351
Proceeds from disposal of financial assets		14,387	2,328
Capital reduction in a joint venture		10,012	–
Net cash used in investing activities		(566,235)	(389,116)
Cash flows from financing activities			
Proceeds from bank loans and notes		607,365	2,532,505
Repayment of bank loans and notes		(2,279,982)	(2,186,135)
Proceeds from loans from joint venture		134,103	190,476
Repayment of loans from joint venture		(2,143)	(2,278)
Payment of lease liabilities		(69,263)	(62,655)
Capital contribution by non-controlling shareholders of subsidiaries		540	31,886
Dividends paid to owner of the Company		(400,000)	(500,000)
Dividends paid to non-controlling shareholders of subsidiaries		(61,598)	(37,005)
Interest paid		(207,937)	(237,882)
Net cash used in financing activities		(2,278,915)	(271,088)
Net (decrease)/increase in cash and bank balances		(701,535)	1,202,080
Cash and bank balances at beginning of the year		4,396,964	3,188,073
Translation differences		(10,380)	6,811
Cash and bank balances at end of the year	15	3,685,049	4,396,964

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 2 March 2022.

1 DOMICILE AND ACTIVITIES

PSA International Pte Ltd (the Company) is incorporated in the Republic of Singapore and has its registered office at 1 Harbour Drive, PSA Horizons, #03-00, Singapore 117352.

The principal activities of the Company are investment holding and the provision of consultancy services on port management, port operations and information technology. The principal activities of the subsidiaries are mainly those of providers of port, marine, software development and IT related services.

The immediate and ultimate holding company during the financial year is Temasek Holdings (Private) Limited, a company incorporated in the Republic of Singapore.

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the Group and individually as Group entities) and the Group's interests in associates and joint ventures.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)) and International Financial Reporting Standards (IFRS). All references to SFRS(I) and IFRS are subsequently referred to as SFRS(I) in these financial statements unless otherwise specified.

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise presented.

On 1 January 2021, the Group has adopted the new and revised SFRS(I), amendments to and interpretations of SFRS(I) that are mandatory for the financial year beginning 1 January 2021. The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

The preparation of financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates

Impairment of property, plant and equipment, intangible assets and right-of-use assets

The Group has significant tangible and intangible assets in its business. Changes in technology or changes in the intended use of these assets may cause the estimated period of use or value of these assets to change.

Assets that have an infinite useful life are tested for impairment annually. Assets that are subject to depreciation and amortisation are reviewed to determine whether there is any indication that the carrying amounts of these assets may not be recoverable and have suffered an impairment loss. If any such indication exists, the recoverable amounts of the assets are estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Such impairment loss is recognised in the income statement.

Management judgement is required in the area of asset impairment, particularly in assessing: (1) whether an event has occurred that may indicate that the related asset values may not be recoverable; (2) whether the carrying amount of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset in the business; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Impairment of trade receivables

The Group assesses whether there are indicators that financial assets have been impaired at each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default, or significant delay in payments are indicators that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the market, economic or legal environment in which the debtor operates.

Depreciation and amortisation

Depreciation and amortisation of non-financial assets constitute significant operating costs for the Group. The costs of these non-financial assets are charged as depreciation or amortisation expense over the estimated useful lives of the respective assets using the straight-line method. The Group periodically reviews changes in technology and industry conditions, asset retirement activities and residual values to determine adjustments to estimated remaining useful lives and depreciation or amortisation rates.

Actual economic lives may differ from estimated useful lives. Periodic reviews could result in a change in depreciable or amortisable lives and therefore depreciation or amortisation expense in future periods.

Residual values of the port assets are estimated after considering the price that could be recovered from the sale of the port assets and the expected age and condition at the end of their useful lives, after deducting the estimated costs of disposal.

2.2 Basis of consolidation

Business combinations

Business combinations are accounted for under the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the income statement. Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been adjusted where necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the income statement. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

Associates and joint ventures

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity. Joint ventures are arrangements in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Associates and joint ventures are accounted for in the consolidated financial statements under the equity method and are recognised initially at cost. The cost of the investments includes transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition results and reserves of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. The latest audited financial statements of the associates and joint ventures are used and where these are not available, unaudited financial statements are used. Any differences between the unaudited financial statements and the audited financial statements obtained subsequently are adjusted for in the subsequent financial year.

The Group's investments in equity-accounted investees include goodwill on acquisition and other intangible assets acquired from business combinations. Where the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest is reduced to zero and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions with non-controlling interests

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interests, which are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation, at fair value or at the proportionate share of the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value at acquisition date.

Changes in the Group's ownership interest in a subsidiary that do not result in a change in control are accounted for as transactions with owners in their capacity as owners and therefore the carrying amounts of assets and liabilities are not changed and goodwill and bargain purchase gain are not recognised as a result of such transactions. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

Any difference between the adjustment to non-controlling interests and the fair value of consideration paid or received is recognised directly in equity and presented as part of equity attributable to owner of the Company.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Accounting for subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are stated in the Company's statement of financial position at cost less accumulated impairment losses.

2.3 Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective (see note 2.7), which are recognised in other comprehensive income.

Foreign operations

The assets and liabilities of foreign operations, excluding goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the closing rate. For acquisitions prior to 1 January 2005, the exchange rates at the date of acquisition were used.

Foreign currency differences are recognised in other comprehensive income and presented within equity in foreign currency translation reserve. However, if the operation is not a wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

For foreign operations in hyperinflationary economies, the income statement and non-monetary items in the foreign operation's statement of financial position are first restated to reflect changes in the general purchasing power of the foreign operation's functional currency based on the inflation rate up to the reporting date, with the resultant adjustment taken to the foreign operation's income statement as a net gain or loss on monetary items. All amounts (i.e. assets, liabilities, equity items, income and expenses) are then translated to Singapore dollars at the exchange rates prevailing at the reporting date, with the differences from opening balances recognised in other comprehensive income, and presented within equity in foreign currency translation reserve.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the foreign currency translation reserve is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

Net investment in a foreign operation

Foreign exchange gains and losses arising from monetary items, that in substance form part of the Group's net investment in a foreign operation, are recognised in other comprehensive income, and are presented within equity in the foreign currency translation reserve. When the net investment is disposed of, the relevant amount in the foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss arising on disposal.

2.4 Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the assets to a working condition for their intended use, and an estimated cost of dismantling and removing the items and restoring the site on which they are located when the Group has an obligation to remove the assets or restore the site, and capitalised borrowing costs, where applicable.

Cost may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognised net in the income statement.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

Depreciation

Depreciation is recognised in the income statement on a straight-line basis to write down the cost of property, plant and equipment to its estimated residual value over the estimated useful life (or lease term, if shorter) of each component of an item of property, plant and equipment.

Estimated useful lives are as follows:

Leasehold land	20 to 80 years
Buildings	10 to 60 years
Wharves, hardstanding and roads	5 to 33 years
Plant, equipment and machinery	3 to 25 years
Floating crafts	6 to 25 years
Dry-docking costs	2 to 5 years
Motor vehicles	3 to 15 years
Computers	3 to 5 years

No depreciation is provided on capital work-in-progress until the related property, plant and equipment is ready for use. Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2.5 Intangible assets

Intangible assets with finite useful lives are stated at cost less accumulated amortisation and accumulated impairment losses. Intangible assets with infinite useful lives or not ready for use are stated at cost less accumulated impairment losses.

Goodwill

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets. Goodwill arising on the acquisition of associates and joint ventures is presented together with investments in associates and joint ventures.

Goodwill represents the excess of:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Goodwill is measured at cost less accumulated impairment losses and is subject to testing for impairment, as described in note 2.6.

Computer software

Computer software, which is acquired and subscribed by the Group, where it is not an integral part of the related hardware, is treated as an intangible asset. Computer software is amortised in the income statement on a straight-line basis over its estimated useful lives of 3 to 10 years, from the date on which it is ready for use.

Software development costs

Development expenditure attributable to projects, where the technical feasibility and commercial viability of which are reasonably assured, is capitalised and amortised over the time period for which the tangible benefits of the projects are expected to be realised. Software development costs are not amortised until the completion date and when the software is ready for use. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 3 to 10 years.

Port concession, port use and other operating rights

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value upon initial recognition by reference to the fair value of the services provided. Subsequent to initial recognition the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

The expenditures incurred in relation to the right to operate a port are capitalised as port use rights. These rights are amortised in the income statement on a straight-line basis over their estimated useful lives of 21 to 42 years.

Research costs

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is recognised in the income statement as an expense when it is incurred.

Other intangible assets

Other intangible assets which are acquired by the Group are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged to the income statement on a straight-line basis over estimated useful lives of 2 to 21 years.

Capital work-in-progress

No amortisation is provided on capital work-in-progress until the intangible asset is ready for use.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

2.6 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated. Goodwill and other non-financial assets with infinite useful lives or not yet available for use are tested for impairment at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in the income statement unless it reverses a previous revaluation credited to equity, in which case it is charged to equity. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs) and then to reduce the carrying amount of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate or a joint venture is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate or a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in an associate or a joint venture may be impaired.

2.7 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, other non-current assets, trade and other receivables, cash and bank balances, other non-current liabilities, trade and other payables, and borrowings.

Cash and cash equivalents comprise cash balances, bank deposits, and bank overdrafts. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts which are repayable on demand and which form an integral part of the Group's cash management.

A financial instrument is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group's contractual rights to the cash flows from the financial assets expire, or it transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of ownership of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e. the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised when the Group's contractual obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments (unless it is a trade receivable without a significant financing component) are initially measured at fair value plus, for non-derivative financial instruments not at fair value through profit or loss (FVTPL), any directly attributable transaction costs. A trade receivable without a significant financing component is initially measured at the transaction price.

Subsequent to initial recognition, non-derivative financial instruments are measured as described below.

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or fair value through other comprehensive income (FVOCI) for equity investments or fair value through profit or loss (FVTPL).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The determination of the classification at initial recognition into each of the measurement category and the subsequent measurement for each measurement category are as described below.

(a) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

(b) Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

These assets are subsequently measured at fair value. Dividends are recognised as income in the income statement unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the income statement.

(c) Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the income statement.

Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign exchange, fuel price and interest rate risk exposures. The use of hedging instruments is governed by the Group's policies which provide written principles on the use of financial instruments consistent with the Group's risk management strategy.

Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item in assessing whether they have values that generally move in the opposite direction because of the same hedged risk.

Derivatives are recognised initially at fair value and attributable transaction costs are recognised in the income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as follows:

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

(a) Cash flow hedges

Changes in the fair value of the derivative designated as a hedging instrument of a cash flow hedge is recognised in other comprehensive income and presented within equity in the hedging reserve to the extent the hedge is effective, limited to the cumulative change in fair value of the hedged item from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation revoked, then hedge accounting is discontinued prospectively.

The cumulative gain or loss previously recognised in equity in the hedging reserve remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognised in equity is reclassified to the carrying amount of the asset when it is recognised. In other cases, the amount recognised in equity is transferred to the income statement in the same period that the hedged item affects the income statement.

If the forecast transaction is no longer expected to occur, then the balance in equity is reclassified to the income statement.

(b) Fair value hedges

Changes in the fair value of a derivative designated as a hedging instrument of a fair value hedge are recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged; the gain or loss attributable to the hedged risk is recognised in the income statement and the carrying amount of the hedged item is adjusted.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated, exercised or the designation is revoked, then hedge accounting is discontinued prospectively. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to the income statement from that date.

(c) Hedge of net investment in a foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve, to the extent that the hedge is effective. The ineffective foreign currency differences are recognised in the income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in foreign currency translation reserve is reclassified to the income statement as an adjustment to the gain or loss on disposal when the investment in the foreign operation is disposed.

(d) Economic hedges

Hedge accounting is not applied to derivative instruments that economically hedge monetary assets and liabilities denominated in foreign currencies. Changes in the fair value of such derivatives are recognised in the income statement as part of foreign currency gains and losses.

(e) Separable embedded derivatives

Changes in the fair value of separable embedded derivatives are recognised immediately in the income statement.

2.8 Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on:
- financial assets measured at amortised cost; and
- contract assets (as defined in SFRS(I) 15).

Loss allowances of the Group are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- breach of contract such as a default; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery.

2.9 Financial guarantees

Financial guarantee contracts issued by the Company to external parties on behalf of entities within the Group are accounted for as insurance contracts. A provision is recognised based on the Company's estimate of the ultimate cost of settling all claims incurred but unpaid at the reporting date. The provision is assessed by reviewing individual claims and tested for adequacy by comparing the amount recognised and the amount that would be required to settle the guarantee contract.

2.10 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Group uses the lessee's incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in income statement if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities separately in the statements of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

COVID-19-related rent concessions

The Group has applied *COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to SFRS(I) 16*, following a 12 months extension of the practical expedient to the 2020 amendment. The Group applies the practical expedient allowing it not to assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characterises and in similar circumstances.

As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

2.11 Inventories

Inventories mainly comprise stores and consumables which are valued at cost of purchase (including cost incurred in bringing the inventories to their present location and condition) on a weighted average cost method less any applicable allowance for obsolescence. When inventories are consumed, the carrying amount of these inventories is recognised as an expense in the year in which the consumption occurs.

2.12 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when incurred.

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Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligations in respect of defined benefit plans are calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2.14 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.15 Revenue recognition

Income from services

Income from port and marine services rendered is recognised at a point in time and income from consultancy services is generally recognised over time, when the Group satisfies a performance obligation by transferring service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to each satisfied performance obligation. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

License fee

License fee represents fees earned from the sale of license of software to customers and is recognised when the customer takes delivery of the software, and the criteria for acceptance have been satisfied.

System development revenue

System development contracts of less than 12 months' duration and completed within the financial year are recognised at a point in time based on the completed contract method. System development for longer-term contracts are recognised over time. The stage of completion is typically assessed by reference to work performed based on the ratio of costs incurred to date to the estimated total costs for each contract.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognised over time based on the percentage of completion of the work performed. The percentage of completion is assessed by reference to surveys of work performed. The related costs are recognised in the income statement when they are incurred. Operation or service revenue is recognised in the period in which the services are provided by the Group. If the service concession arrangement contains more than one performance obligation, then the consideration received is allocated with reference to the relative stand-alone selling prices of the services delivered.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised as it accrues, using the effective interest method, except where the collection is contingent upon certain conditions being met, then such income is recognised when received.

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2.16 Government grants

Government grants are recognised in the statement of financial position initially as deferred income when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them. Grants that compensate the Group for expenses incurred are recognised in the income statement on a systematic basis in the same period in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the asset.

2.17 Finance costs

Finance costs comprise interest expense on borrowings which includes reclassifications of net losses previously recognised in other comprehensive income and the unwinding of the discount on provisions. All borrowing costs are recognised in the income statement using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

2.18 Income tax expense

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries, associates and joint ventures to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.19 Non-current assets held for sale or distribution

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale or distribution rather than through continuing use, are classified as held for sale or distribution. Immediately before classification as held for sale or distribution, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets, which continue to be measured under different rules in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in the income statement. Gains are not recognised in excess of any cumulative impairment losses.

2.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Executive Committee and Senior Management Council of the Company to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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3 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Leasehold land	Buildings	Wharves, hardstanding and roads	Plant, equipment and machinery	Floating crafts and dry-docking costs	Motor vehicles	Computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group										
Cost										
At 1 January 2020	75,158	1,481,018	743,663	2,684,994	5,509,773	432,307	31,917	217,491	998,500	12,174,821
Reclassifications	–	–	111,847	20,718	145,896	31,584	1,572	9,497	(321,114)	–
Additions	–	–	5,299	6,161	70,040	16,288	697	5,261	434,929	538,675
Acquisition of subsidiaries	–	–	2,654	–	72,408	113,768	453	4,025	926	194,234
Disposals	–	–	(19,996)	(6,238)	(56,926)	(39,064)	(351)	(4,458)	–	(127,033)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	(5,507)	(5,632)
Translation differences on consolidation	(140)	–	14,869	15,212	79,579	(3,593)	121	2,495	4,522	113,065
At 31 December 2020	75,018	1,481,018	858,336	2,720,847	5,820,770	551,290	34,409	234,186	1,112,256	12,888,130
Reclassifications	6,720	173,016	115,136	110,219	245,808	9,679	8,234	22,624	(691,436)	–
Additions	3,408	–	903	10,182	19,488	5,467	978	3,382	789,304	833,112
Acquisition of subsidiaries	4,873	–	20,997	–	7,454	–	5,089	1,589	76	40,078
Disposals	–	(7,960)	(4,346)	(571)	(48,905)	(13,554)	(1,164)	(2,190)	(8,042)	(86,732)
Disposal of a subsidiary	–	–	(14,285)	(1,924)	(17,116)	–	–	(910)	–	(34,235)
Transferred to intangible assets	–	–	–	–	–	–	–	–	(16)	(16)
Translation differences on consolidation	1,438	–	(10,062)	(14,047)	(79,781)	5,278	48	(2,320)	(1,356)	(100,802)
At 31 December 2021	91,457	1,646,074	966,679	2,824,706	5,947,718	558,160	47,594	256,361	1,200,786	13,539,535
Accumulated depreciation and impairment losses										
At 1 January 2020	–	934,493	453,736	1,499,130	3,050,343	179,942	21,833	165,835	–	6,305,312
Depreciation charge for the year	–	50,104	33,016	114,134	310,139	36,717	2,441	18,103	–	564,654
Acquisition of subsidiaries	–	–	2,229	–	42,267	46,387	290	3,537	–	94,710
Disposals	–	–	(19,949)	(3,113)	(55,729)	(28,107)	(317)	(4,432)	–	(111,647)
Transferred to intangible assets	–	–	–	–	–	–	–	(125)	–	(125)
Impairment losses	–	34,885	22	5,083	5	–	–	–	–	39,995
Translation differences on consolidation	–	–	10,117	8,326	45,168	(1,802)	68	1,953	–	63,830
At 31 December 2020	–	1,019,482	479,171	1,623,560	3,392,193	233,137	24,315	184,871	–	6,956,729
Reclassifications	–	–	152	–	(2,662)	–	5,195	(2,685)	–	–
Depreciation charge for the year	–	45,341	37,076	111,754	315,328	38,942	3,493	20,736	–	572,670
Acquisition of subsidiaries	–	–	9,913	–	5,661	–	3,697	1,260	–	20,531
Disposals	–	(7,960)	(4,337)	(399)	(47,931)	(12,316)	(1,139)	(1,983)	–	(76,065)
Disposal of a subsidiary	–	–	(9,607)	(363)	(5,795)	–	–	(882)	–	(16,647)
Impairment losses	–	3,664	2	336	1	–	–	–	–	4,003
Translation differences on consolidation	–	–	(7,259)	(7,387)	(46,969)	4,744	(47)	(2,013)	–	(58,931)
At 31 December 2021	–	1,060,527	505,111	1,727,501	3,609,826	264,507	35,514	199,304	–	7,402,290
Carrying amounts										
At 1 January 2020	75,158	546,525	289,927	1,185,864	2,459,430	252,365	10,084	51,656	998,500	5,869,509
At 31 December 2020	75,018	461,536	379,165	1,097,287	2,428,577	318,153	10,094	49,315	1,112,256	5,931,401
At 31 December 2021	91,457	585,547	461,568	1,097,205	2,337,892	293,653	12,080	57,057	1,200,786	6,137,245

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	Plant, equipment and machinery	Motor vehicles	Computers	Capital work-in-progress	Total
	$'000	$'000	$'000	$'000	$'000
Company					
Cost					
At 1 January 2020	643	346	2,006	–	2,995
Additions	–	–	507	–	507
Disposals	(71)	–	(48)	–	(119)
At 31 December 2020	572	346	2,465	–	3,383
Additions	123	–	37	62	222
At 31 December 2021	695	346	2,502	62	3,605
Accumulated depreciation					
At 1 January 2020	328	346	2,001	–	2,675
Depreciation charge for the year	82	–	95	–	177
Disposals	(66)	–	(48)	–	(114)
At 31 December 2020	344	346	2,048	–	2,738
Depreciation charge for the year	101	–	118	–	219
At 31 December 2021	445	346	2,166	–	2,957
Carrying amounts					
At 1 January 2020	315	–	5	–	320
At 31 December 2020	228	–	417	–	645
At 31 December 2021	250	–	336	62	648

Impairment loss

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. At 31 December 2021, the Group recognised an impairment loss of $4.0 million (2020: $40.0 million) on certain property, plant and equipment due to lower recoverable amounts arising from changes in operations. The impairment loss was recognised in other operating expenses in the income statement.

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4 INTANGIBLE ASSETS

	Goodwill on consolidation	Computer software and software development costs	Capital work-in-progress	Port and other operating rights	Other intangible assets	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Group						
Cost						
At 1 January 2020	553,427	202,204	62,574	2,105,027	94,059	3,017,291
Reclassifications	–	16,833	(21,295)	–	4,462	–
Additions	–	3,365	53,041	410	1,041	57,857
Acquisition of subsidiaries	–	5,785	4,384	147,427	15,747	173,343
Disposals	–	(8,767)	–	(16,988)	(43,619)	(69,374)
Transferred from property, plant and equipment	–	5,632	–	–	–	5,632
Translation differences on consolidation	3,300	7,467	(57)	(53,699)	1,017	(41,972)
At 31 December 2020	556,727	232,519	98,647	2,182,177	72,707	3,142,777
Reclassifications	–	42,468	(48,863)	5,935	460	–
Additions	–	677	48,574	740	461	50,452
Acquisition of subsidiaries	1,694	866	7	133,605	3,485	139,657
Disposals	–	(2,745)	(3,683)	(8,210)	(23)	(14,661)
Disposal of a subsidiary	–	(2,781)	–	–	–	(2,781)
Transferred from property, plant and equipment	–	–	–	–	16	16
Translation differences on consolidation	(2,240)	(6,620)	(12)	7,299	(1,037)	(2,610)
At 31 December 2021	556,181	264,384	94,670	2,321,546	76,069	3,312,850
Accumulated amortisation and impairment losses						
At 1 January 2020	68,892	141,754	–	203,433	50,348	464,427
Amortisation charge for the year	–	18,865	–	81,514	12,440	112,819
Acquisition of subsidiaries	–	4,959	–	4,272	6,376	15,607
Disposals	–	(8,767)	–	–	(42,371)	(51,138)
Impairment loss	–	–	–	65,000	–	65,000
Transferred from property, plant and equipment	–	125	–	–	–	125
Translation differences on consolidation	709	4,725	–	(6,252)	997	179
At 31 December 2020	69,601	161,661	–	347,967	27,790	607,019
Amortisation charge for the year	–	26,011	–	81,033	10,005	117,049
Acquisition of subsidiaries	–	447	–	–	–	447
Disposals	–	(2,426)	–	–	–	(2,426)
Disposal of a subsidiary	–	(2,695)	–	–	–	(2,695)
Impairment loss	5,176	–	–	–	–	5,176
Translation differences on consolidation	(577)	(7,006)	–	(1,869)	(961)	(10,413)
At 31 December 2021	74,200	175,992	–	427,131	36,834	714,157
Carrying amounts						
At 1 January 2020	484,535	60,450	62,574	1,901,594	43,711	2,552,864
At 31 December 2020	487,126	70,858	98,647	1,834,210	44,917	2,535,758
At 31 December 2021	481,981	88,392	94,670	1,894,415	39,235	2,598,693

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	Computer software and software development costs	Capital work-in-progress	Total
	$'000	$'000	$'000
Company			
Cost			
At 1 January 2020	9,157	25,508	34,665
Additions	–	11,105	11,105
Reclassifications	6,577	(6,577)	–
At 31 December 2020	15,734	30,036	45,770
Additions	–	8,159	8,159
Reclassifications	11,592	(11,592)	–
At 31 December 2021	27,326	26,603	53,929
Accumulated amortisation			
At 1 January 2020	4,413	–	4,413
Amortisation charge for the year	1,554	–	1,554
At 31 December 2020	5,967	–	5,967
Amortisation charge for the year	2,451	–	2,451
At 31 December 2021	8,418	–	8,418
Carrying amounts			
At 1 January 2020	4,744	25,508	30,252
At 31 December 2020	9,767	30,036	39,803
At 31 December 2021	18,908	26,603	45,511

Impairment testing for cash-generating units (CGUs) containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's port business in the country of operation, which represents the lowest level within the Group at which the goodwill is monitored for internal management purposes. At 31 December 2021, the carrying amount of goodwill primarily relates to the Group's port business CGU in Belgium of $455.1 million (2020: $457.2 million). The remaining goodwill relates to the Group's port business CGUs in other countries.

The recoverable amounts of these port business CGUs were based on the value in use approach. They were determined by discounting the future cash flows generated from the continuing use of these CGUs. The cash flow projections were based on the financial budgets approved by management covering a five-year period and a further outlook based on the long-term nature of concession agreements.

Key assumptions include the expected growth in revenue, gross margin and discount rates. The pre-tax discount rate used for impairment testing of Belgium CGU was 7.3% (2020: 7.3%).

Judgement is required to determine key assumptions adopted in the cash flow projections and changes to the key assumptions can significantly affect these cash flow projections and therefore the results of the impairment tests.

Management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying amount of the Belgium CGU to materially exceed its recoverable amount.

Impairment loss

During the impairment review, the Group assesses whether the carrying amount of an asset exceeds its recoverable amount. In 2020, the Group recognised an impairment loss of $65.0 million on certain port use rights due to lower recoverable amounts arising from weaker economic outlook. The impairment loss was recognised in other operating expenses in the income statement.

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5 RIGHT-OF-USE ASSETS

	Leasehold land	Buildings	Wharves, hardstanding and roads	Plant, equipment and machinery	Floating crafts	Motor vehicles	Others	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group								
Cost								
At 1 January 2020	584,005	17,019	343,741	52,232	–	5,982	3,255	1,006,234
Additions	5,786	1,793	558	18,776	–	1,231	2,469	30,613
Acquisition of subsidiaries	36,751	1,729	–	2,324	12,787	–	–	53,591
Disposals	(5,203)	(14,516)	(2,205)	(5,610)	–	(483)	(3)	(28,020)
Translation differences on consolidation	31,224	(145)	26,922	3,730	(682)	426	23	61,498
At 31 December 2020	652,563	5,880	369,016	71,452	12,105	7,156	5,744	1,123,916
Additions	15,527	5,407	11,115	20,519	–	2,251	657	55,476
Acquisition of subsidiaries	1,506	745	–	–	–	–	1,245	3,496
Disposals	(2,440)	(560)	–	(18,835)	–	(919)	(488)	(23,242)
Disposal of a subsidiary	–	–	(10,150)	(13,513)	–	(294)	–	(23,957)
Reclassifications	304,074	3,302	(304,074)	(3,302)	–	–	–	–
Translation differences on consolidation	(33,792)	100	(21,814)	(3,780)	257	(425)	(33)	(59,487)
At 31 December 2021	937,438	14,874	44,093	52,541	12,362	7,769	7,125	1,076,202
Accumulated depreciation								
At 1 January 2020	24,094	9,664	14,050	17,507	–	1,626	402	67,343
Depreciation charge for the year	27,606	7,242	14,921	17,374	690	1,971	730	70,534
Acquisition of subsidiaries	2,155	310	–	1,542	701	–	–	4,708
Disposals	(157)	(14,516)	(2,185)	(5,435)	–	(302)	(3)	(22,598)
Translation differences on consolidation	2,186	(63)	1,655	1,918	(67)	187	9	5,825
At 31 December 2020	55,884	2,637	28,441	32,906	1,324	3,482	1,138	125,812
Depreciation charge for the year	46,433	3,055	3,494	16,894	760	1,840	1,907	74,383
Acquisition of subsidiaries	226	–	–	–	–	–	883	1,109
Disposals	(105)	(421)	–	(12,885)	–	(909)	(418)	(14,738)
Disposal of a subsidiary	–	–	(3,587)	(6,749)	–	(170)	–	(10,506)
Reclassifications	22,398	2,568	(22,398)	(2,568)	–	–	–	–
Translation differences on consolidation	(4,516)	(13)	(1,817)	(2,002)	34	(278)	(44)	(8,636)
At 31 December 2021	120,320	7,826	4,133	25,596	2,118	3,965	3,466	167,424
Carrying amounts								
At 1 January 2020	559,911	7,355	329,691	34,725	–	4,356	2,853	938,891
At 31 December 2020	596,679	3,243	340,575	38,546	10,781	3,674	4,606	998,104
At 31 December 2021	817,118	7,048	39,960	26,945	10,244	3,804	3,659	908,778

The leases run over various periods with some leases containing an option to renew the lease upon expiry. Lease terms are reviewed at renewal of leases.

During the year, depreciation expense of $4.2 million (2020: nil) was capitalised into capital work-in-progress.

The Group received rent concessions from its landlords mainly for concession leases as a result of the severe impact of the COVID-19 pandemic during the year. The Group applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions.

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YEAR ENDED 31 DECEMBER 2021

	Buildings $'000
Company	
Cost	
At 1 January and 31 December 2020	–
Additions	10,272
At 31 December 2021	10,272
Accumulated depreciation	
At 1 January and 31 December 2020	–
Depreciation charge for the year	5,136
At 31 December 2021	5,136
Carrying amounts	
At 1 January and 31 December 2020	–
At 31 December 2021	5,136

6 SUBSIDIARIES

	Company	
	2021 $'000	2020 $'000
Equity investments, at cost	1,175,222	1,169,922
Loans to subsidiaries	9,719,911	9,853,757
	10,895,133	11,023,679
Impairment losses	(275,077)	(275,077)
	10,620,056	10,748,602

The loans to subsidiaries form part of the Company's net investments in these subsidiaries. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Company. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in Singapore dollars, US dollars and Euro, and comprise:

(a) $848.2 million (2020: $1,780.1 million) loans bearing fixed interest rates ranging from 4.27% to 6.33% (2020: 0.23% to 9.13%) per annum; and

(b) $674.1 million (2020: $95.3 million) loans bearing floating interest rates ranging from 3.62% to 5.27% (2020: 3.72% to 7.06%) per annum and the interest rates repriced at intervals of 6 to 12 months.

The remaining loans to subsidiaries are interest-free.

Details of significant subsidiaries are as follows:

Name of subsidiary	Principal place of business/ country of incorporation	Effective percentage held by the Group 2021 %	2020 %
PSA Corporation Limited	Singapore	100	100
PSA Marine (Pte) Ltd	Singapore	100	100
PSA Antwerp N.V.	Belgium	100	100

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

7 ASSOCIATES

	Group 2021 $'000	Group 2020 $'000
Investments in associates	3,469,194	3,204,997
Loans to associates	7,128	7,128
	3,476,322	3,212,125
Impairment losses	(7,128)	(7,128)
	3,469,194	3,204,997

The loans to associates form part of the Group's net investments in these associates. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

Details of significant associates are as follows:

Name of associate	Principal place of business/ country of incorporation	Effective percentage held by the Group 2021 %	Effective percentage held by the Group 2020 %
Hutchison Port Holdings Limited	British Virgin Islands	20.0	20.0
Hutchison Ports Investments S.à r.l.	Luxembourg	20.0	20.0

The reconciliation of the SFRS(I) financial statements of the associates modified for fair value adjustments, with the carrying amounts of the investments in associates in the consolidated financial statements is as follows:

	Group 2021 $'000	Group 2020 $'000
At 1 January	3,204,997	3,130,037
Group's share of:		
- profit for the year	210,214	187,202
- other comprehensive income	96,851	55,694
- total comprehensive income	307,065	242,896
Dividends received during the year	(98,435)	(106,848)
Disposal during the year	–	(21,119)
Investment during the year	8,925	–
Translation differences on consolidation	46,642	(39,969)
At 31 December	3,469,194	3,204,997

The Group's investments in associates relate mainly to its investment in Hutchison Port Holdings Limited and Hutchison Ports Investments S.à r.l.. The Group's share of contingent liabilities of the associates is $90.7 million (2020: $97.8 million).

NOTES TO THE FINANCIAL STATEMENTS

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8 JOINT VENTURES

	Group	
	2021	2020
	$'000	$'000
Investments in joint ventures	2,687,950	2,569,453
Loans to joint ventures	1,008,498	1,031,331
	3,696,448	3,600,784
Impairment losses	(37,192)	(23,808)
	3,659,256	3,576,976

The loans to joint ventures form part of the Group's net investments in these joint ventures. The loans are unsecured and settlement is neither planned nor likely to occur in the foreseeable future. These amounts are in substance capital contributions by the Group. Accordingly, these loans are stated at cost less accumulated impairment losses.

The loans are principally denominated in US dollars and Euro, and comprised:

(a) $596.0 million (2020: $626.6 million) loans bearing fixed interest rates ranging from 6.00% to 10.00% (2020: 6.00% to 10.00%) per annum; and

(b) $403.5 million (2020: $395.9 million) loans bearing floating interest rates ranging from 0.15% to 4.25% (2020: 0.42% to 5.94%) per annum.

The remaining loans to joint ventures are interest-free.

Details of significant joint ventures are as follows:

Name of joint venture	Principal place of business/ country of incorporation	Effective percentage held by the Group	
		2021	2020
		%	%
DCT Gdansk S.A.	Republic of Poland	40.0	40.0
Mersin Uluslararasi Liman Isletmeciligi A.S.	Turkey	51.0	51.0
PSA Panama International Terminal, S.A.	Republic of Panama	42.5	42.5
Sociedad Puerto Industrial Aguadulce S.A.	Colombia	49.8	49.8
Tianjin Port Pacific International Container Terminal Co., Ltd.	People's Republic of China	49.0	49.0

The Group's share of commitments of the joint ventures was as follows:

	Group	
	2021	2020
	$'000	$'000
Capital commitments which have been authorised and contracted but not provided for in the financial statements	75,966	52,864

The Group does not have any individually material joint venture.

9 FINANCIAL ASSETS

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Equity investments at FVOCI	1,904,710	1,352,288	100,619	86,704
Equity investments at FVTPL	11,195	7,737	–	–
	1,915,905	1,360,025	100,619	86,704

NOTES TO THE FINANCIAL STATEMENTS

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10 OTHER NON-CURRENT ASSETS

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Loan to joint venture	–	1,139	–	–
Loan to a non-controlling shareholder of a subsidiary	29,400	9,800	–	–
Other receivables	182,080	188,389	7,512	12,648
Non-current portion of financial assets at amortised cost	211,480	199,328	7,512	12,648
Hedging instruments	1,439	940	–	–
Transferable corporate club memberships	1,684	1,737	–	–
	214,603	202,005	7,512	12,648

In 2020, the loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% per annum and repayable by 2022.

The loan to a non-controlling shareholder of a subsidiary was denominated in Singapore Dollar, unsecured, bore fixed interest rates ranging from 2.53% to 4.23% (2020: 2.53%) per annum and repayable by 2026.

11 DEFERRED TAX

Movements in deferred tax assets and liabilities of the Group (prior to offsetting of balances) during the year were as follows:

	Provisions	Other items	Total
	$'000	$'000	$'000
Group			
Deferred tax assets			
At 1 January 2020	39,436	38,330	77,766
Acquisition of subsidiaries	1,098	53	1,151
Recognised in income statement	3,043	(550)	2,493
Recognised in other comprehensive income	45	942	987
Translation differences on consolidation	790	2,012	2,802
At 31 December 2020	44,412	40,787	85,199
Disposal of a subsidiary	–	(48)	(48)
Recognised in income statement	(4,939)	1,510	(3,429)
Recognised in other comprehensive income	39	(530)	(491)
Translation differences on consolidation	(696)	(2,209)	(2,905)
At 31 December 2021	38,816	39,510	78,326

	Property, plant and equipment	Fair value reserve	Other items	Total
	$'000	$'000	$'000	$'000
Deferred tax liabilities				
At 1 January 2020	295,441	225,438	14,056	534,935
Acquisition of subsidiaries	8,981	–	2,687	11,668
Recognised in income statement	(10,950)	–	4,408	(6,542)
Recognised in other comprehensive income	–	(1,239)	3,857	2,618
Translation differences on consolidation	766	–	307	1,073
At 31 December 2020	294,238	224,199	25,315	543,752
Acquisition of subsidiaries	–	–	581	581
Disposal of a subsidiary	(346)	–	–	(346)
Recognised in income statement	26,786	–	6,634	33,420
Recognised in other comprehensive income	–	139,581	3,073	142,654
Translation differences on consolidation	(790)	–	(194)	(984)
At 31 December 2021	319,888	363,780	35,409	719,077

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Deferred tax assets and liabilities of the Company were attributable to the following:

	Company	
	2021	2020
	$'000	$'000
Deferred tax assets		
Provisions	4,552	4,594
Deferred tax liabilities		
Property, plant and equipment	3,308	1,743
Unremitted income	9,766	4,363
Other items	9,925	8,452
	22,999	14,558

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The amounts determined after appropriate offsetting were included in the statements of financial position as follows:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deferred tax assets	39,126	39,349	–	–
Deferred tax liabilities	679,877	497,902	18,447	9,964

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of tax losses amounting to $229.9 million (2020: $235.2 million). The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. Deferred tax assets have not been recognised in respect of these tax losses because there is no indication that future taxable profit will be available against which the respective subsidiaries of the Group can utilise the benefits.

12 TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Trade and accrued receivables	13	574,976	653,915	–	–
Deposits and other receivables	14	203,023	166,947	8,922	13,242
Amounts due from:					
Subsidiaries		–	–	243,967	167,390
Associates		2	77	–	–
Joint ventures		140,015	139,495	15,988	16,595
Related corporations		17,529	–	–	–
Loan to joint venture		1,072	4,556	–	–
Current portion of financial assets at amortised cost		936,617	946,990	268,877	197,227
Advances and prepayments		37,047	48,340	1,780	3,047
Hedging instruments		7,179	67,231	88	–
		980,843	1,080,561	270,745	200,274

The amounts due from subsidiaries, associates, joint ventures and related corporations were unsecured, interest-free and repayable on demand. The loan to joint venture was denominated in Euro, unsecured, bore floating interest rate of 1% (2020: 1%) per annum and repayable in one year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

13 TRADE AND ACCRUED RECEIVABLES

	Group	
	2021	2020
	$'000	$'000
Trade and accrued receivables	653,581	767,651
Allowance for impairment	(78,605)	(113,736)
	574,976	653,915

The Group's primary exposure to credit risk arises through its trade receivables. Concentration of credit risk relating to trade receivables is limited due to the Group's internationally dispersed customers. Due to the nature of the Group's business, credit risk is not concentrated in any specific geographical region but concentrated in companies exposed to business cyclical fluctuations that are commonly found in the shipping industry. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional allowance beyond amounts provided for collection losses is required.

14 DEPOSITS AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deposits	4,591	8,336	12	–
Other receivables	198,432	158,611	8,910	13,242
	203,023	166,947	8,922	13,242

15 CASH AND BANK BALANCES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Cash at bank and in hand	894,157	1,560,394	192,646	979,769
Fixed deposits	2,790,892	2,836,570	1,908,091	1,831,607
	3,685,049	4,396,964	2,100,737	2,811,376

At the reporting date, cash and cash equivalents for the Group include $611.3 million (2020: $882.0 million) cash from subsidiaries pooled together under a sweeping arrangement and managed centrally by the Company in bank balances and fixed deposits as part of the Group's cash management and treasury activities. These balances are not presented as part of the bank balance of the Company.

16 SHARE CAPITAL

	Company	
	2021 No. of shares	2020 No. of shares
	$'000	$'000
Issued and fully-paid, with no par value:		
At 1 January and 31 December	607,372	607,372

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

Capital management

The Group defines capital as share capital and all components of equity. The Group's primary objectives when managing capital are to safeguard the Group's ability to continue to provide returns for shareholders and to support the Group's stability and growth. The Group regularly reviews and manages its capital structure to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

There were no changes to the Group's approach to capital management during the year.

Certain subsidiaries within the Group are subject to externally imposed capital requirements as required by law. These subsidiaries have complied with the requirements during the financial year. The Company and the rest of its subsidiaries are not subject to any externally imposed capital requirements.

17 ACCUMULATED PROFITS AND OTHER RESERVES

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Capital reserve	(a)	32,477	2,212	–	–
Insurance reserve	(b)	97,357	97,357	–	–
Foreign currency translation reserve	(c)	(920,272)	(976,352)	–	–
Hedging reserve	(d)	7,592	(17,167)	(3,464)	(6,931)
Fair value reserve	(e)	260,693	(218,095)	(23,672)	(37,587)
Accumulated profits		13,308,981	12,342,833	9,855,015	9,287,496
		12,786,828	11,230,788	9,827,879	9,242,978

(a) Capital reserve

The capital reserve comprises the Group's share of capital reserve of associates and joint ventures.

(b) Insurance reserve

The insurance reserve relates to a sum transferred from the former Port of Singapore Authority to PSA Corporation Limited in 1997 as part of the vesting of property, rights and liabilities. This reserve is to cover potential past liabilities and for funding future potential liabilities in relation to the port related activities undertaken by PSA Corporation Limited.

(c) Foreign currency translation reserve

The foreign currency translation reserve comprises:

(i) all foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from the functional currency of the Company;

(ii) the effective portion of the cumulative net change in fair value of foreign currency loans used to hedge the Group's net investment in foreign operations;

(iii) foreign exchange differences on monetary items which form part of the Group's net investment in foreign operations;

(iv) the Group's share of foreign currency translation reserve of associates and joint ventures; and

(v) changes in the equity of foreign operations as a result of adjusting non-monetary assets and liabilities and equity balances for hyperinflation (inflation adjustment).

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

(d) Hedging reserve

The hedging reserve comprises:

(i) the effective portion of the cumulative net change in fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred; and

(ii) the Group's share of hedging reserve of associates and joint ventures.

(e) Fair value reserve

The fair value reserve comprises:

(i) the cumulative net changes in the fair values of equity investments at FVOCI until the investments are derecognised; and

(ii) the Group's share of fair value reserve of associates and joint ventures.

18 BORROWINGS AND LEASE LIABILITIES

	Note	Group 2021	Group 2020	Company 2021	Company 2020
		$'000	$'000	$'000	$'000
Borrowings					
Unsecured fixed and floating rates notes		2,889,062	2,838,342	173,200	170,572
Secured bank loans		165,418	183,047	–	–
Unsecured bank loans		1,085,845	1,025,565	–	–
Loans from joint venture		169,765	147,831	–	–
Loans from non-controlling shareholders of subsidiaries		9,555	9,555	–	–
Unsecured loan from subsidiary		–	–	718,515	1,365,324
Non-current borrowings		4,319,645	4,204,340	891,715	1,535,896
Unsecured fixed and floating rates notes		–	661,802	–	661,802
Secured bank loans		97,632	700,886	–	–
Unsecured bank loans		390,260	859,559	–	244,080
Loans from joint venture		536	2,278	–	–
Current borrowings		488,428	2,224,525	–	905,882
		4,808,073	6,428,865	891,715	2,441,778
Total borrowings comprise:					
Total unsecured fixed and floating rates notes		2,889,062	3,500,144	173,200	832,374
Total secured bank loans	(a)	263,050	883,933	–	–
Total unsecured bank loans		1,476,105	1,885,124	–	244,080
Total loans from joint venture	(b)	170,301	150,109	–	–
Total loans from non-controlling shareholders of subsidiaries	(c)	9,555	9,555	–	–
Total unsecured loan from subsidiary		–	–	718,515	1,365,324
		4,808,073	6,428,865	891,715	2,441,778
Lease liabilities					
Non-current lease liabilities		974,601	1,062,473	–	–
Current lease liabilities		53,416	58,190	5,233	–
		1,028,017	1,120,663	5,233	–

(a) Secured bank loans

The loans were secured by mortgages on the borrowing subsidiaries' property, plant and equipment and port use rights with a carrying amount of $437.4 million (2020: $1,752.0 million).

(b) Loans from joint venture

The loans from joint venture were denominated in Euro, unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

(c) Loans from non-controlling shareholders of subsidiaries

The loans from non-controlling shareholders were unsecured and bore floating interest rates. Interest rates repriced at intervals of three months.

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings and lease liabilities were as follows:

			2021		2020	
	Effective interest rate	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
	%		**$'000**	**$'000**	**$'000**	**$'000**
Group						
Unsecured fixed and floating rates notes	1.63 - 4.27	2025 - 2030	2,903,770	2,889,062	3,516,655	3,500,144
Secured bank loans	1.22 - 7.10	2022 - 2026	263,050	263,050	883,933	883,933
Unsecured bank loans	0.045 - 2.8	2022 - 2026	1,476,105	1,476,105	1,886,408	1,885,124
Loans from joint venture	0.62 - 1.50	2022 - 2023	170,301	170,301	150,109	150,109
Loans from non-controlling shareholders of subsidiaries	0.57 - 0.84	2027	9,555	9,555	9,555	9,555
			4,822,781	4,808,073	6,446,660	6,428,865
Lease liabilities	0.44 - 17.60	2022 - 2051	1,419,455	1,028,017	1,667,287	1,120,663
Company						
Unsecured fixed and floating rates notes	4.27	2025	173,300	173,200	832,550	832,374
Unsecured bank loans	–	–	–	–	244,080	244,080
Unsecured loan from subsidiary	2.30 - 2.67	2026 - 2030	718,515	718,515	1,365,324	1,365,324
			891,815	891,715	2,441,954	2,441,778
Lease liabilities	1.00	2022	5,285	5,233	–	–

NOTES TO THE FINANCIAL STATEMENTS

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Reconciliation of movements of borrowings and lease liabilities to cash flows arising from financing activities

	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
At 1 January 2020	5,961,305	1,045,262	7,006,567
Changes from financing cash flows			
- Proceeds from bank loans and notes	2,532,505	–	2,532,505
- Repayment of bank loans and notes	(2,186,135)	–	(2,186,135)
- Proceeds from loans from joint venture	81,360	–	81,360
- Repayment of loans from joint venture	(2,278)	–	(2,278)
- Payment of lease liabilities	–	(62,655)	(62,655)
- Interest paid	–	(41,888)	(41,888)
Total changes from financing cash flows	425,452	(104,543)	320,909
Addition of new leases	–	25,399	25,399
Acquisition of subsidiaries	8,621	48,529	57,150
Interest expenses	–	40,542	40,542
Amortisation of loan facilities upfront fees	2,600	–	2,600
Changes in fair value	178	–	178
Effect of changes in foreign exchange rates	30,709	65,474	96,183
At 31 December 2020	6,428,865	1,120,663	7,549,528
At 1 January 2021	6,428,865	1,120,663	7,549,528
Changes from financing cash flows			
- Proceeds from bank loans and notes	607,365	–	607,365
- Repayment of bank loans and notes	(2,279,982)	–	(2,279,982)
- Proceeds from loans from joint venture	31,210	–	31,210
- Repayment of loans from joint venture	(2,143)	–	(2,143)
- Payment of lease liabilities	–	(69,263)	(69,263)
- Interest paid	–	(40,621)	(40,621)
Total changes from financing cash flows	(1,643,550)	(109,884)	(1,753,434)
Addition of new leases	–	58,385	58,385
Acquisition of subsidiaries	–	1,955	1,955
Disposal of a subsidiary	–	(23,316)	(23,316)
Interest expenses	–	42,121	42,121
Amortisation of loan facilities upfront fees	2,669	–	2,669
Changes in fair value	194	–	194
Effect of changes in foreign exchange rates	19,895	(61,907)	(42,012)
At 31 December 2021	4,808,073	1,028,017	5,836,090

Total cash outflow for all the leases in 2021 was $123.6 million (2020: $119.8 million).

NOTES TO THE FINANCIAL STATEMENTS

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19 PROVISIONS

This comprises site restoration provisions made by subsidiaries to restore their leased sites to original condition by the end of the lease terms.

20 OTHER NON-CURRENT OBLIGATIONS

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Hedging instruments	5,927	36,433	4,002	29,661
Amount due to joint venture	1,832	3,176	–	–
Loan from a subsidiary	–	–	334,121	234,770
Loan from a joint venture	334,121	234,770	–	–
Service concession obligations	107,183	104,538	–	–
Other non-current obligations	77,444	72,162	–	–
	526,507	451,079	338,123	264,431

The loans from a subsidiary and a joint venture are denominated in US dollars, unsecured, interest-free and due in 2025 to 2028.

21 TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021	2020	2021	2020
		$'000	$'000	$'000	$'000
Trade payables and accrued operating expenses		1,320,424	1,055,530	93,086	89,542
Deposits and other payables	22	337,343	315,381	9,463	19,571
Amounts due to:					
Subsidiaries		–	–	820,031	674,663
Joint ventures		54,150	49,141	169	–
Related corporations		17,602	1,041	–	–
Other financial liabilities at amortised cost		1,729,519	1,421,093	922,749	783,776
Advances		34,018	40,719	154	199
Hedging instruments		2,390	2,697	1,912	308
		1,765,927	1,464,509	924,815	784,283

The amounts due to subsidiaries, joint ventures and related corporations were unsecured, interest-free and repayable on demand.

22 DEPOSITS AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Deposits	10,239	9,037	–	–
Accrued capital expenditure	143,399	84,130	–	–
Other payables	183,705	222,214	9,463	19,571
	337,343	315,381	9,463	19,571

The Group's and the Company's other payables included interest payable of $22.7 million (2020: $47.7 million) and $8.1 million (2020: $18.1 million) respectively and other sundry creditors.

23 REVENUE

This comprises revenue from container handling, marine services, operation of multi-purpose terminals, warehousing and logistics related services, software development and IT related services, consultancy fees but excludes intra-group transactions. Payment is due when services are provided to customer. Disaggregation of revenue is presented in note 29.

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24 OTHER INCOME

	Group 2021 $'000	Group 2020 $'000
Dividend income from financial assets	57,458	38,100
Interest income from:		
Cash and bank balances	13,124	39,060
Joint ventures	58,559	62,870
Trade and other receivables	5,676	6,703
Gain on disposal of:		
Financial assets	431	175
Joint ventures	–	50,749
Property, plant and equipment, net	–	4,890
Subsidiary	8,707	–
Exchange gain, net	9,505	–
Net fair value gain on fair value hedge	1,058	–
Net change in fair value of equity investment at FVTPL	83	426
Write back of allowance for trade receivables	32,420	–
Others	41,113	21,291
	228,134	224,264

25 STAFF AND RELATED COSTS

	Group 2021 $'000	Group 2020 $'000
Wages and salaries	1,088,884	909,962
Contributions to defined contribution plans	107,540	103,925
	1,196,424	1,013,887

Various government grants were received to help business deal with the impact of COVID-19. Government grant income in relation to temporary wage support schemes is deducted against staff and related costs.

26 PROFIT FROM OPERATIONS

Profit from operations included the following items:

	Group 2021 $'000	Group 2020 $'000
Allowance for impairment on trade receivables	–	17,956
Impairment loss of:		
Intangible assets	5,176	65,000
Property, plant and equipment	4,003	39,995
Joint ventures	13,384	–
Loss on disposal of:		
Intangible assets	845	1,731
Property, plant and equipment, net	276	–
Exchange loss, net	–	9,386
Expenses relating to:		
Short-term leases	8,724	9,325
Leases of low-value assets, excluding short-term leases of low-value assets	1,426	1,694
Variable lease payments not included in the measurement of lease liabilities	3,554	4,204

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27 FINANCE COSTS

	Group 2021 $'000	Group 2020 $'000
Interest expense in relation to:		
Banks and other financial institutions	75,291	95,742
Fixed and floating rates notes holders	71,147	95,685
Lease liabilities	42,121	40,542
Service concession obligations	7,193	7,227
Non-controlling shareholders of subsidiaries	96	118
	195,848	239,314

28 INCOME TAX EXPENSE

	Group 2021 $'000	Group 2020 $'000
Current tax expense		
Current year	219,451	233,151
Over provided in prior years	(2,306)	(2,609)
	217,145	230,542
Deferred tax expense		
Movements in temporary differences	33,163	(17,105)
Under provided in prior years	3,686	8,070
	36,849	(9,035)
Income tax expense	253,994	221,507
Tax reconciliation		
Profit before income tax	1,681,915	1,412,742
Share of profit of associates, net of tax	(210,214)	(187,202)
Share of profit of joint ventures, net of tax	(276,504)	(174,249)
Profit before income tax excluding share of profit of associates and joint ventures, net of tax	1,195,197	1,051,291
Tax calculated using Singapore tax rate of 17% (2020: 17%)	203,183	178,719
Effect of different tax rates in other countries	6,469	3,249
Tax rebates and incentives	(22,265)	(14,890)
Income not subject to tax	(24,356)	(48,896)
Expenses not deductible for tax purposes	46,852	63,263
Change in unrecognised tax benefits	12,788	15,678
Withholding tax	29,943	18,923
Under provided in prior years	1,380	5,461
Income tax expense	253,994	221,507

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29 OPERATING SEGMENTS

The Group is organised into business units based on their services and has two main reportable operating segments as follows:

- Port business: The provision of container handling, operation of multi-purpose terminals and other port related services.
- Marine business: The provision of marine services.

Other businesses are not significant and are therefore presented in aggregate as "others".

The Executive Committee and Senior Management Council of the Company monitor the operating results of the business units separately for the purpose of making strategic decisions. Performance is measured based on segment operating profit which includes items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined on an arm's length basis. Segment capital expenditure is the total costs incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

Information about reportable segments

	Port business	Marine business	Others	Total reportable segments
	$'000	$'000	$'000	$'000
Group				
31 December 2021				
Revenue				
Total revenue	4,098,620	337,040	270,206	4,705,866
Inter-segment revenue	(9,445)	(12,072)	(14,509)	(36,026)
External revenue	4,089,175	324,968	255,697	4,669,840
Operating profit	1,202,776	84,622	25,297	1,312,695
Material item				
Depreciation and amortisation	693,357	48,247	15,584	757,188
Segment assets	9,976,849	559,912	345,993	10,882,754
Segment liabilities	2,040,267	59,676	61,094	2,161,037
31 December 2020				
Revenue				
Total revenue	3,769,675	318,012	108,641	4,196,328
Inter-segment revenue	(8,765)	(6,256)	(2,369)	(17,390)
External revenue	3,760,910	311,756	106,272	4,178,938
Operating profit	1,189,700	87,712	1,447	1,278,859
Material item				
Depreciation and amortisation	695,715	45,418	5,128	746,261
Segment assets	10,036,704	551,965	136,788	10,725,457
Segment liabilities	1,666,497	62,875	30,353	1,759,725

The capital expenditure for port and marine business segments was $810.0 million (2020: $540.8 million) and $50.4 million (2020: $31.7 million) respectively.

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Reconciliations of reportable segment operating profit, assets and liabilities

	Group	
	2021	**2020**
	$'000	**$'000**
Operating profit		
Operating profit for reportable segments	1,312,695	1,278,859
Corporate expenses	(127,221)	(98,137)
Other income	228,134	224,264
Impairment loss of intangible assets	(5,176)	(65,000)
Impairment of joint ventures	(13,384)	–
Impairment loss of property, plant and equipment	(4,003)	(39,995)
Exchange loss, net	–	(9,386)
Share of profit of associates, net of tax	210,214	187,202
Share of profit of joint ventures, net of tax	276,504	174,249
Finance costs	(195,848)	(239,314)
Profit before income tax	1,681,915	1,412,742
Segment assets		
Segment assets for reportable segments	10,882,754	10,725,457
Associates	3,469,194	3,204,997
Joint ventures	3,659,256	3,576,976
Cash and bank balances	3,685,049	4,396,964
Financial assets	1,915,905	1,360,025
Deferred tax assets	39,126	39,349
Hedging instruments	8,618	68,171
	23,659,902	23,371,939
Segment liabilities		
Segment liabilities for reportable segments	2,161,037	1,759,725
Corporate liabilities	135,634	127,357
Borrowings	4,808,073	6,428,865
Lease liabilities	1,028,017	1,120,663
Current tax payable	176,697	272,081
Deferred tax liabilities	679,877	497,902
Hedging instruments	8,317	39,130
	8,997,652	10,245,723

Geographical information

The Group operates principally in Southeast Asia, Europe, Mediterranean and The Americas and Rest of Asia. Segment revenue is based on geographical location of the operations. Segment assets are based on the geographical location of the assets. Non-current assets presented consist of property, plant and equipment, intangible assets, right-of-use assets and other non-current assets.

	Group	
	2021	**2020**
	$'000	**$'000**
Revenue		
Southeast Asia	2,972,599	2,834,840
Europe, Mediterranean and The Americas	1,152,108	968,142
Rest of Asia	545,133	375,956
	4,669,840	4,178,938
Non-current assets		
Southeast Asia	4,882,342	4,864,685
Europe, Mediterranean and The Americas	3,154,870	3,003,717
Rest of Asia	1,822,107	1,798,866
	9,859,319	9,667,268

Revenue and non-current assets included $2,972.2 million (2020: $2,834.4 million) and $4,882.3 million (2020: $4,864.7 million) respectively from Singapore.

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30 FINANCIAL RISK MANAGEMENT

Overview

Risk management is integral to the whole business of the Group. Exposure to credit, liquidity and market risks (including interest rate, currency and price risks) arises in the normal course of the Group's business. The Group has written risk management policies and guidelines. In addition, the Group has established processes to monitor and manage major exposures. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

The Group has a credit policy in place which establishes credit limits for customers and monitors their balances on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. Cash and fixed deposits are placed with banks and financial institutions which are regulated. Investments and transactions involving hedging instruments are allowed only with counterparties that are of certain credit standing.

At 31 December 2021, there was no significant concentration of credit risk. The maximum exposure to credit risk was represented by the carrying amounts of each financial asset, including hedging instruments, in the statements of financial position. The Group entities use varied methods including past due information to assess its exposure to credit risk which takes into account the risk characteristics of the customers.

A summary of these entities' exposure to credit risk for trade and accrued receivables as at 31 December are as follows:

	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
31 December 2021			
Not past due	432,459	(458)	No
Past due less than 30 days	96,849	(114)	No
Past due 30 - 120 days	63,083	(41,329)	No
Past due more than 120 days	61,190	(36,704)	Yes
	653,581	(78,605)	
31 December 2020			
Not past due	450,715	(1,040)	No
Past due less than 30 days	97,505	(607)	No
Past due 30 - 120 days	79,044	(1,896)	No
Past due more than 120 days	140,387	(110,193)	Yes
	767,651	(113,736)	

Movements in allowance for impairment

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group Lifetime ECL $'000
At 1 January 2020	95,307
Allowance for impairment	17,956
Amounts written off	(518)
Acquisition of subsidiaries	520
Translation differences on consolidation	471
At 31 December 2020	113,736
Write back of allowance for trade receivables	(32,420)
Amounts written off	(2,306)
Acquisition of subsidiaries	(7)
Translation differences on consolidation	(398)
At 31 December 2021	78,605

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Except for the impaired receivables, no allowance for impairment is considered necessary in respect of the remaining trade receivables, including those receivables that are past due, as the Group believes that the amounts are still collectible, based on historical payment patterns and good credit records maintained by the customers. The Group considers its other financial assets to have low credit risk and the amount of the allowance on other financial assets is not significant.

The principal risk to which the Company is exposed is credit risk in connection with the guarantee contracts it has issued. The credit risk represents the loss that would be recognised upon a default by the parties to which the guarantees were given on behalf of. To mitigate these risks, management continually monitors the risks and has established processes including performing credit evaluations of the parties it is providing guarantees on behalf of.

At 31 December 2021, the Company has issued guarantees on behalf of its subsidiaries and joint ventures which amounted to $0.3 million (2020: $26.4 million). These guarantees would become immediately payable by the Company in the event of default by these subsidiaries and joint ventures.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The following are the expected contractual undiscounted cash inflows/(outflows) of non-derivative financial liabilities and hedging instruments, including interest payments and excluding the impact of netting agreements:

			Cash flows		
	Carrying amounts	Contractual cash flows	Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Group					
31 December 2021					
Non-derivative financial liabilities					
Interest-bearing liabilities	4,628,217	(5,127,282)	(581,994)	(2,349,909)	(2,195,379)
Lease liabilities	1,028,017	(1,419,455)	(85,935)	(276,929)	(1,056,591)
Loans from joint venture	170,301	(172,848)	(536)	(172,312)	–
Loans from non-controlling shareholders of subsidiaries	9,555	(9,835)	(56)	(224)	(9,555)
Trade and other payables	1,729,519	(1,729,519)	(1,729,519)	–	–
Hedging instruments					
- Assets	(8,618)				
Inflow		527,915	387,019	140,896	–
Outflow		(519,289)	(379,833)	(139,456)	–
- Liabilities	8,317				
Inflow		694,914	397,349	297,565	–
Outflow		(701,188)	(400,562)	(300,626)	–
	7,565,308	(8,456,587)	(2,394,067)	(2,800,995)	(3,261,525)
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing liabilities	6,269,201	(6,812,850)	(2,284,857)	(1,470,230)	(3,057,763)
Lease liabilities	1,120,663	(1,664,435)	(98,098)	(324,220)	(1,242,117)
Loans from joint venture	150,109	(151,960)	(3,215)	(148,745)	–
Loans from non-controlling shareholders of subsidiaries	9,555	(9,940)	(77)	(308)	(9,555)
Trade and other payables	1,421,093	(1,421,093)	(1,421,093)	–	–
Hedging instruments					
- Assets	(68,171)				
Inflow		688,581	651,186	37,395	–
Outflow		(631,067)	(595,557)	(35,510)	–
- Liabilities	39,130				
Inflow		1,083,459	312,222	503,188	268,049
Outflow		(1,115,614)	(315,226)	(525,712)	(274,676)
	8,941,580	(10,034,919)	(3,754,715)	(1,964,142)	(4,316,062)

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	Carrying amounts	Contractual cash flows	Cash flows Within 1 year	Between 1 and 5 years	After 5 years
	$'000	$'000	$'000	$'000	$'000
Company					
31 December 2021					
Non-derivative financial liabilities					
Interest-bearing liabilities	891,715	(1,069,047)	(26,327)	(943,829)	(98,891)
Lease liabilities	5,233	(5,285)	(5,285)	–	–
Trade and other payables	922,749	(922,749)	(922,749)	–	–
Hedging instruments					
- Assets	(88)				
Inflow		14,471	14,471	–	–
Outflow		(14,375)	(14,375)	–	–
- Liabilities	5,914				
Inflow		690,215	396,199	294,016	–
Outflow		(694,067)	(398,821)	(295,246)	–
	1,825,523	(2,000,837)	(956,887)	(945,059)	(98,891)
31 December 2020					
Non-derivative financial liabilities					
Interest-bearing liabilities	2,441,778	(2,794,841)	(949,472)	(326,675)	(1,518,694)
Trade and other payables	783,776	(783,776)	(783,776)	–	–
Hedging instruments					
- Liabilities	29,969				
Inflow		648,368	116,029	264,290	268,049
Outflow		(670,985)	(115,209)	(281,100)	(274,676)
	3,255,523	3,601,234	(1,732,428)	(343,485)	(1,525,321)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, equity prices and fuel prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Interest rate risk

The Group's exposure to changes in interest rates relates primarily to the Group's interest-earning financial assets and interest-bearing financial liabilities. The Group's objective is to maintain a balance of fixed and floating rate exposures as well as a balanced maturity period.

Managing interest rate benchmark reform and associated risks

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates (IBORs) with alternative nearly risk-free rates (referred to as 'IBOR reform'). The Group monitors the progress of transition from IBORs to new benchmark rates by reviewing the total amounts of contracts that have yet to transition to an alternative benchmark rate and the amounts of such contracts that include an appropriate fallback clause. The Group considers that a contract is not yet transitioned to an alternative benchmark rate when interest under the contract is indexed to a benchmark rate that is still subject to interest rate benchmark reform.

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The following table shows the total amounts of unreformed contracts at 31 December 2021. The amounts are shown at their carrying amounts.

	Total amount of unreformed contracts			
	SIBOR	SOR	LIBOR	Canada BA / CDOR
			$'000	$'000
Group				
31 December 2021				
Financial liabilities				
Secured bank loans	–	–	30,118	62,449
Unsecured bank loans	173,086	410,414	–	–

At the reporting date, the interest rate profile of the interest-bearing financial assets and liabilities was:

	Group		Company	
	2021	2020	2021	2020
	$'000	$'000	$'000	$'000
Fixed rate				
Cash and bank balances	2,790,892	2,836,570	1,908,091	1,831,607
Borrowings	(3,083,564)	(3,714,973)	(891,715)	(2,197,698)
Lease liabilities	(1,028,017)	(1,120,663)	(5,233)	–
	(1,320,689)	(1,999,066)	1,011,143	(366,091)
Floating rate				
Cash and bank balances	894,157	1,560,394	192,646	979,769
Borrowings	(1,724,509)	(2,713,892)	–	(244,080)
	(830,352)	(1,153,498)	192,646	735,689

Hedging

The Group has raised funding with issuance of debt capital market instruments and bank loans to diversify funding sources. Interest rate swaps have been entered to achieve an appropriate mix of fixed and floating rate exposures within the Group's policy.

Cash flow hedge

At 31 December 2020, a portion of the floating rate bank loans amounting to $630.0 million have been hedged against the exposure to market fluctuations in interest rate payments. In connection with these loans, the Group entered into cross currency swap contracts to receive variable rate interest and pay fixed rate on the notional amounts. Both the floating rate bank loans and cross currency swaps have the same terms and conditions. The net fair value of the swaps as at 31 December 2020 comprises assets of $65.3 million. The weighted average interest rate of the swaps as at 31 December 2020 ranged from 7.52% to 9.03% and the SGD:INR forward exchange rate as at 31 December 2020 ranged from 2020: 45.22 to 53.40. The swaps matured in 2021. Reclassification adjustments are recorded in finance income/cost.

Sensitivity analysis

At 31 December 2021, it is estimated that a general increase of 100bps in interest rates would decrease the Group's profit before tax by approximately $8.3 million (2020: $5.2 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Group's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Group's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

At 31 December 2021, it is estimated that a general increase of 100bps in interest rates would increase the Company's profit before tax by approximately $1.9 million (2020: decrease by approximately $7.4 million). A general decrease of 100bps in interest rates would have the equal but opposite effect on the Company's profit before tax. The general increase or decrease of 100bps in interest rates would have no significant impact on the Company's other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects.

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(b) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, bank deposits, bank loans and fixed and floating rates notes that are denominated in a currency other than the functional currencies of the Group entities. The functional currencies of the Group entities are primarily the Singapore dollar and the Euro. In respect of other monetary assets and liabilities held in currencies other than the functional currencies of the Group entities, the Group monitors the net exposure.

A portion of the Group and the Company's fixed rate bonds amounting to $270.4 million (2020: $264.7 million) has been hedged against the exposure to fluctuations in foreign currency. In connection with this, the Group and the Company entered into cross currency swap contracts to receive and pay fixed interest rate. Both the fixed rate bonds and foreign currency contracts have the same terms and conditions. The net fair value of the swaps as at 31 December 2021 comprises liabilities of $5.8 million (2020: $29.6 million). The weighted average SGD:USD forward exchange rate as at 31 December 2021 ranged from 0.73 to 0.74 (2020: 0.73 to 0.74). The swap will mature in 2026. Reclassification adjustments are recorded in finance income/cost.

The Group's US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes amounting to $1.90 billion (2020: $2.12 billion) are designated as hedging instruments for the Group's investments in its associates.

The Group's (excluding the US dollar and Hong Kong dollar denominated unsecured bank loans, fixed and floating rates notes designated as hedging instruments for the Group's investments in its associates) and Company's significant exposures to foreign currencies were as follows:

	2021		2020	
	HK Dollar	US Dollar	HK Dollar	US Dollar
	$'000	$'000	$'000	$'000
Group				
Financial assets	–	401,452	516	335,432
Other non-current assets	–	137,517	–	133,590
Cash and bank balances	26,092	356,804	89,110	680,522
Trade and other receivables	–	126,444	856	110,751
Interest-bearing liabilities	–	(214,936)	–	(619,492)
Trade and other payables	(6,598)	(58,177)	(6,450)	(52,310)
	19,494	749,104	84,032	588,493
Company				
Financial assets	–	100,619	–	86,704
Loans to subsidiaries	–	1,118,431	–	1,009,406
Cash and bank balances	26,058	216,284	89,094	620,750
Interest-bearing liabilities	(173,200)	(718,515)	(170,572)	(2,027,126)
Trade and other payables	(6,548)	(39,346)	(6,450)	(10,791)
	(153,690)	677,473	(87,928)	(321,057)

Sensitivity analysis

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would decrease the Group's profit before tax by approximately $1.9 million (2020: $8.4 million) and decrease the Group's other comprehensive income by approximately $nil million (2020: $0.05 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Group's profit before tax by approximately $34.8 million (2020: $25.3 million) and decrease the Group's other comprehensive income by approximately $40.1 million (2020: $33.5 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Group's profit before tax and other comprehensive income.

At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the Hong Kong dollar would increase the Company's profit before tax by approximately $15.4 million (2020: $8.8 million). A 10% weakening in the Singapore dollar against the Hong Kong dollar would have the equal but opposite effect on the Company's profit before tax.

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At 31 December 2021, it is estimated that a 10% strengthening in the Singapore dollar against the US dollar would decrease the Company's profit before tax by approximately $57.7 million (2020: increase by $40.8 million) and decrease the Company's other comprehensive income by approximately $10.1 million (2020: $8.7 million). A 10% weakening in the Singapore dollar against the US dollar would have the equal but opposite effect on the Company's profit before tax and other comprehensive income.

This analysis assumes that all other variables, in particular interest rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

(c) Equity price risk

Equity security price risk is the risk of changes in fair value of the Group's investments due to changes in the underlying equity securities prices. The risk is concentrated in the Group's investments in equity securities.

Sensitivity analysis

At 31 December 2021, it is estimated that a 10% increase in the underlying equity prices would increase the Group's profit before tax by approximately $1.1 million (2020: $0.8 million) and increase the Group's other comprehensive income by $190.5 million (2020: $135.2 million). A 10% decrease in the underlying equity prices would have the equal but opposite effect on the Group's profit before tax and other comprehensive income. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effects and share of non-controlling interests.

31 FAIR VALUES

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

(a) Quoted equity securities and trust units

Fair value is based on quoted bid prices at the reporting date, without any deduction for transaction costs.

(b) Hedging instruments

The fair value of interest rate swaps, cross currency swaps and fuel forward contracts is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(c) Fixed rate interest-bearing borrowings

Fair value is calculated based on quoted offer price or discounted expected future principal and interest cash flows using market interest rates.

(d) Floating rate interest-bearing borrowings

The Group believes that the carrying amounts of floating rate interest-bearing loans, which are repriced at least semi-annually, reflect the corresponding fair values.

(e) Other financial assets and liabilities

The notional amounts of financial assets and liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, trade and other payables, current borrowings) are assumed to approximate their fair values because of the short period to maturity.

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YEAR ENDED 31 DECEMBER 2021

Fair values versus carrying amounts

The carrying amounts of financial assets and liabilities are as follows:

	Note	Amortised cost	FVTPL - equity instruments	FVOCI - equity instruments	Fair value - hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000	$'000
Group							
31 December 2021							
Equity investments at FVOCI	9	–	–	1,904,710	–	–	1,904,710
Equity investments at FVTPL	9	–	11,195	–	–	–	11,195
Hedging instruments	10, 12	–	–	–	8,618	–	8,618
		–	11,195	1,904,710	8,618	–	1,924,523
Other non-current assets	10	182,080	–	–	–	–	182,080
Trade and other receivables	12	936,617	–	–	–	–	936,617
Cash and bank balances	15	3,685,049	–	–	–	–	3,685,049
		4,803,746	–	–	–	–	4,803,746
Hedging instruments	20, 21	–	–	–	(8,317)	–	(8,317)
Unsecured fixed and floating rates notes	18	–	–	–	–	(2,889,062)	(2,889,062)
Secured bank loans	18	–	–	–	–	(263,050)	(263,050)
Unsecured bank loans	18	–	–	–	–	(1,476,105)	(1,476,105)
Loans from joint venture	18	–	–	–	–	(170,301)	(170,301)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,729,519)	(1,729,519)
		–	–	–	–	(6,537,592)	(6,537,592)
31 December 2020							
Equity investments at FVOCI	9	–	–	1,352,288	–	–	1,352,288
Equity investments at FVTPL	9	–	7,737	–	–	–	7,737
Hedging instruments	10, 12	–	–	–	68,171	–	68,171
		–	7,737	1,352,288	68,171	–	1,428,196
Other non-current assets	10	188,389	–	–	–	–	188,389
Trade and other receivables	12	964,990	–	–	–	–	964,990
Cash and bank balances	15	4,396,964	–	–	–	–	4,396,964
		5,550,343	–	–	–	–	5,550,343
Hedging instruments	20, 21	–	–	–	(39,130)	–	(39,130)
Unsecured fixed and floating rates notes	18	–	–	–	–	(3,500,144)	(3,500,144)
Secured bank loans	18	–	–	–	–	(883,933)	(883,933)
Unsecured bank loans	18	–	–	–	–	(1,885,124)	(1,885,124)
Loans from joint venture	18	–	–	–	–	(150,109)	(150,109)
Loans from non-controlling shareholders of subsidiaries	18	–	–	–	–	(9,555)	(9,555)
Trade and other payables	21	–	–	–	–	(1,421,093)	(1,421,093)
		–	–	–	–	(7,849,958)	(7,849,958)

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	Note	Amortised cost	FVOCI - equity instruments	Fair value - hedging instruments	Other financial liabilities	Total carrying amounts
		$'000	$'000	$'000	$'000	$'000
Company						
31 December 2021						
Equity investments at FVOCI	9	–	100,619	–	–	100,619
Hedging instruments	12	–	–	88	–	88
		–	100,619	88	–	100,707
Other non-current assets	10	7,512	–	–	–	7,512
Trade and other receivables	12	268,877	–	–	–	268,877
Cash and bank balances	15	2,100,737	–	–	–	2,100,737
		2,377,126	–	–	–	2,377,126
Hedging instruments	20, 21	–	–	(5,914)	–	(5,914)
Unsecured fixed and floating rates notes	18	–	–	–	(173,200)	(173,200)
Unsecured loan from subsidiary	18	–	–	–	(718,515)	(718,515)
Trade and other payables	21	–	–	–	(922,749)	(922,749)
		–	–	–	(1,814,464)	(1,814,464)
31 December 2020						
Equity investments at FVOCI	9	–	86,704	–	–	86,704
Other non-current assets	10	12,648	–	–	–	12,648
Trade and other receivables	12	197,227	–	–	–	197,227
Cash and bank balances	15	2,811,376	–	–	–	2,811,376
		3,021,251	–	–	–	3,021,251
Hedging instruments	20, 21	–	–	(29,969)	–	(29,969)
Unsecured fixed and floating rates notes	18	–	–	–	(832,374)	(832,374)
Unsecured bank loans	18	–	–	–	(244,080)	(244,080)
Unsecured loan from subsidiary	18	–	–	–	(1,365,324)	(1,365,324)
Trade and other payables	21	–	–	–	(783,776)	(783,776)
		–	–	–	(3,225,554)	(3,225,554)

As at 31 December 2021, the Group's fair value of unsecured fixed and floating rates notes was $3.0 billion (2020: $3.7 billion). The Company's fair values of unsecured fixed and floating rates notes and unsecured loan from subsidiary were $0.2 billion (2020: $0.9 billion) and $0.8 billion (2020: $1.5 billion) respectively. The fair values of other financial assets and liabilities approximate their carrying amounts.

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Fair value hierarchy

The tables below analyse fair value measurements for financial assets and financial liabilities, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Financial assets and financial liabilities carried at fair value

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Group				
31 December 2021				
Equity instruments at FVOCI	1,675,817	–	228,893	1,904,710
Equity investments at FVTPL	3,458	–	7,737	11,195
Hedging instrument assets	–	8,618	–	8,618
	1,679,275	8,618	236,630	1,924,523
Hedging instrument liabilities	–	(8,317)	–	(8,317)
31 December 2020				
Equity instruments at FVOCI	1,158,551	–	193,737	1,352,288
Equity investments at FVTPL	–	–	7,737	7,737
Hedging instrument assets	–	68,171	–	68,171
	1,158,551	68,171	201,474	1,428,196
Hedging instrument liabilities	–	(39,130)	–	(39,130)
Company				
31 December 2021				
Equity instruments at FVOCI	100,619	–	–	100,619
Hedging instruments assets	–	88	–	88
	100,619	88	–	100,707
Hedging instrument liabilities	–	(5,914)	–	(5,914)
31 December 2020				
Equity instruments at FVOCI	86,704	–	–	86,704
Hedging instrument liabilities	–	(29,969)	–	(29,969)

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YEAR ENDED 31 DECEMBER 2021

Financial assets and financial liabilities not carried at fair value but for which fair values are disclosed*

	Level 1 $'000	Level 2 $'000	Total $'000
Group			
31 December 2021			
Other non-current assets	–	182,080	182,080
Unsecured fixed and floating rates notes	–	(2,951,863)	(2,951,863)
Secured bank loans	–	(263,050)	(263,050)
Unsecured bank loans	–	(1,476,105)	(1,476,105)
Loans from joint venture	–	(170,301)	(170,301)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(4,870,874)	(4,870,874)
31 December 2020			
Other non-current assets	–	188,389	188,389
Unsecured fixed and floating rates notes	–	(3,674,736)	(3,674,736)
Secured bank loans	–	(883,933)	(883,933)
Unsecured bank loans	–	(1,885,124)	(1,885,124)
Loans from joint venture	–	(150,109)	(150,109)
Loans from non-controlling shareholders of subsidiaries	–	(9,555)	(9,555)
	–	(6,603,457)	(6,603,457)
Company			
31 December 2021			
Unsecured fixed and floating rates notes	–	(187,810)	(187,810)
Unsecured loan from subsidiary	–	(824,747)	(824,747)
	–	(1,012,557)	(1,012,557)
31 December 2020			
Unsecured fixed and floating rates notes	–	(859,962)	(859,962)
Unsecured bank loans	–	(244,080)	(244,080)
Unsecured loan from subsidiary	–	(1,514,223)	(1,514,223)
	–	(2,618,265)	(2,618,265)

* Excludes financial assets and financial liabilities whose carrying amounts measured on the amortised cost basis approximate their fair values due to their short-term nature and where the effect of discounting is immaterial.

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YEAR ENDED 31 DECEMBER 2021

32 ACQUISITION AND DISPOSAL OF SUBSIDIARIES

(a) *Acquisition of subsidiaries*

The Group acquired equity interests in subsidiaries in India and China during 2021 and in Peru and Italy during 2020. The acquisition of the subsidiaries had no significant impact to the Group's net profit for the year. The effects of the acquisition on the financial position of the Group were as follows:

	Group	
	2021	**2020**
	$'000	**$'000**
Property, plant and equipment	19,547	99,524
Intangible assets	139,210	157,736
Right-of-use assets	2,387	48,883
Deferred tax assets	–	1,151
Other non-current assets	499	1,612
Cash and bank balances	3,471	1,197
Other current assets	21,634	40,847
Borrowings	–	(8,621)
Lease liabilities	(1,955)	(48,529)
Current tax payable	(762)	(3,964)
Deferred tax liabilities	(581)	(11,668)
Provisions	(1,038)	–
Other non-current obligations	(99)	(5,530)
Other current liabilities	(7,701)	(29,096)
Identifiable net assets	174,612	243,542
Less: Non-controlling interests	(13,595)	(14,876)
Total identifiable net assets	161,017	228,666
Less: Amounts previously accounted for as associate	–	(21,119)
Total consideration paid	161,017	207,547
Cash acquired, net of overdrafts of subsidiaries	(3,471)	(1,197)
Net cash outflow on acquisition of subsidiaries	157,546	206,350

(b) *Disposal of subsidiary*

The Group disposed equity interest in a subsidiary in Belgium during 2021. The effects of the disposal on the financial position of the Group were as follows:

	Group
	2021
	$'000
Property, plant and equipment	17,588
Intangible assets	86
Right-of-use assets	13,451
Deferred tax assets	48
Cash and bank balances	1,036
Other current assets	19,632
Lease liabilities	(23,316)
Deferred tax liabilities	(346)
Current liabilities	(23,624)
Net assets derecognised	4,555
Accounted for as investment in joint venture	(2,278)
Net assets disposed	2,277
Gain on disposal of subsidiary	8,707
Cash and bank balances disposed	(1,036)
Disposal of a subsidiary, net of cash disposed	9,948

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33 COMMITMENTS

As at the reporting dates, the Group had the following commitments:

	Group 2021 $'000	Group 2020 $'000
Capital commitments which have been authorised and contracted but not provided for in the financial statements	788,910	973,444

34 RELATED PARTIES

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors and Senior Management Council of the Company are considered as key management personnel of the Group.

The compensation paid or payable to key management personnel comprised:

	Group 2021 $'000	Group 2020 $'000
Directors' fees	2,716	2,399
Senior Management Council remuneration	18,026	21,051
	20,742	23,450

Other related party transactions

Other than disclosed elsewhere in the financial statements, transactions with related parties were as follows:

	Group 2021 $'000	Group 2020 $'000
Provision of services		
Related corporations	96,469	1,313
Joint ventures	60,601	74,061
Purchase of services		
Related corporations	(34,299)	(23,347)
Joint ventures	(167,441)	(145,302)

35 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2021, and have not been applied in preparing these financial statements. The Group has yet to assess the full impact of these standards and will apply these standards as and when they become effective.

36 SUBSEQUENT EVENTS

On 25 February 2022, the Group issued 1 billion Hong Kong Dollar fixed rate notes.